

MURRINDINDI SHIRE COUNCIL ANNUAL REPORT 2018/19



Murrindindi
Shire Council



CONTENTS

About this Annual Report	3
Murrindindi Snapshot	4
Vision and Values	5
Message from Councillors	6
Message from CEO	7
Councillors	9
Our Organisation	11
Organisation Structure	13
Highlights	14
Financial overview	18
Performance reporting	20
Our People	21
Our Place	29
Our Prosperity	39
Our Promise	44
Corporate Development - Our Organisation	51
Corporate Development - Our Council	56
Introduction to the Financials	71

ABOUT THIS ANNUAL REPORT

In the 'Murrindindi Shire Council Annual Report 2018/19' we identify our achievements and challenges from 1 July 2018 to 30 June 2019. We report our progress against goals set out in the Murrindindi Shire Council Plan 2017-2021 and in relation to the Annual Budget 2018/19.

This Report also contains audited financial reports and performance statements, as required by the 'Local Government Act 1989. The Report is written for a variety of audiences, including government agencies, the community, ratepayers and businesses. Copies of this report are available at Council offices or online at www.murrindindi.vic.gov.au

Further copies or questions/comments?

If you would like additional copies of our Annual Report 2018/19 or if you have any questions or feedback about this Report, please get in touch with us.

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: www.murrindindi.vic.gov.au

Mail us

Murrindindi Shire Council
PO Box 138
Alexandra VIC 3714



@murrindindishirecouncil
#discoverdindi

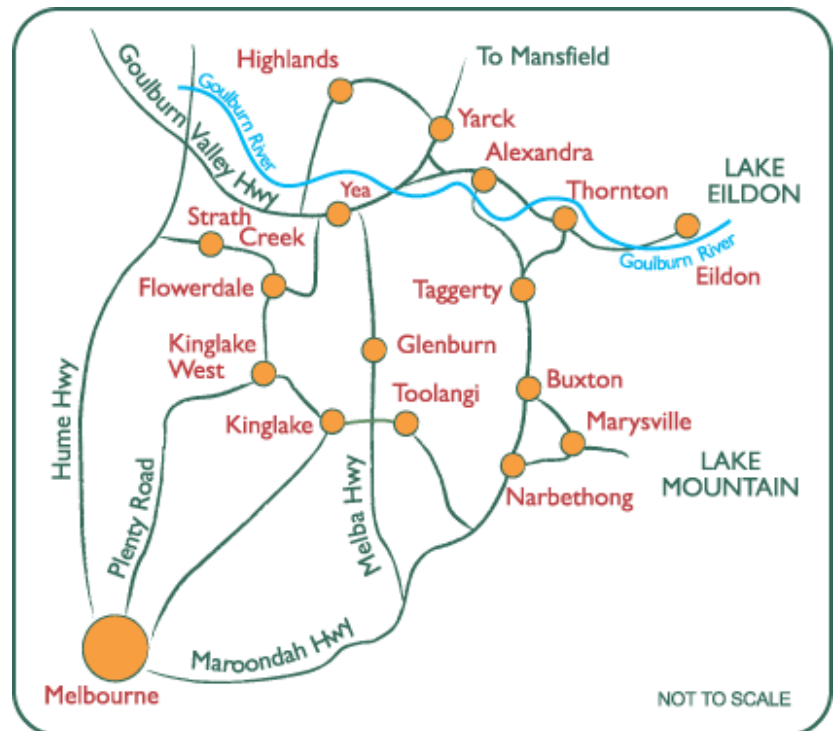
MURRINDINDI SNAPSHOT

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

- Customer Services
- Waste Management
- Environmental Services
- Land Use, Development and Subdivisions
- Building Control
- Aged and Disability Services
- Youth and Recreational Development
- Public Health
- Libraries
- Roads and Bridges
- Economic Development
- Tourism Services
- Events Management
- Community Safety
- Children and Family Services
- Community Development

Industries

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

Our Shire

Location: 150 kms or 90 minutes northeast of Melbourne

Area: 3873 square kilometres (48% Crown Land)

Population: 14,478 (2018-ABS)

Councillors: Seven

Rateable Properties: 9,909

Sealed Roads (Council maintained): 492 kilometres

Unsealed Roads (Council maintained): 718 kilometres

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.

“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.”

COUNCIL VALUES

As the seven elected Councillors who serve as the Murrindindi Shire Council, we have developed a code of conduct which commits us to carry out our roles in accordance with the following values:

Collaboration

We will ...

- operate as a cohesive team
- work together with the community through accessible and inclusive engagement
- strive to build effective working relationships

Stewardship

We will...

- endeavour to make careful and responsible decisions
- strive to make decisions that do not limit the opportunities or aspirations of those who follow in the future

Equity & Fairness

We will,...

- be fair, even-handed and impartial in our decision making and our dealings with others
- consider the merits of each case while upholding legislated requirements and ensuring consistency and justice in our decision making
- strive to ensure all have access to similar opportunities and experiences

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

Accountability & Honesty

We will...

- make our decisions openly and publicly whenever possible
- take responsibility for our actions and decisions
- honour our commitments
- act with integrity and honesty in all our dealings
- openly report our performance and acknowledge our mistakes

MESSAGE FROM OUR COUNCILLORS



We are very proud to share this Annual Report of your Council's performance in 2018/19.

In the year under review, we have worked to make our Shire more liveable and prosperous and to celebrate our people and place.

This year our community came together to remember the ten year anniversary of the 2009 Bushfires. This was a particularly difficult time for the communities of Murrindindi Shire. We were honoured to support the activities of the many volunteers who organised commemorative events and activities right around the Shire. We are proud of how far we have all come since that difficult time.

We have had the pleasure of acknowledging and celebrating the successes of 149 members of our community at Council's monthly meetings through the year. From student leaders at schools across our Shire, to those who go that extra step to support others in our community, it has been wonderful to learn about and formally recognise the achievements of our community members, young and old.

Advocacy has been another focus for our work and we have achieved some great results. Through our 'Mental Health Matters' campaign, we worked with the State and Federal Government to help remove barriers to access mental health services in Murrindindi Shire, including bureaucratic boundaries which prevent easy access to these services. We also ran a workshop with our community, youth services and health networks and providers to explore new approaches to support the resilience and mental health of our young people.

Our advocacy efforts were successful in attracting \$750,000 in funding from the Victorian State Government and \$750,000 from the Federal Government for the important Kinglake Town Centre and Streetscape Renewal Project - to which we added \$249,000. As part of our community engagement on the project, around 60 local residents provided their feedback on the proposed design for Kinglake's streetscape.

Equally pleasing was a successful result for continued efforts to attract funding to support the growth of Eildon's houseboat industry in the form of more than \$500,000 Victorian State Government as investment for infrastructure development – an investment that will help business and tourism growth and employment opportunities in the area.

This year has seen the launch of our much-anticipated Community Planning initiative. Community Planning is a mechanism to help communities across the Shire to set their own goals for the future – and to give them the tools to achieve them.

First, through a series of workshops across the Shire, we created a Community Planning Framework to guide this important work. Next, we rolled this out across three pilot communities – Marysville, Yea and Toolangi-Castella - with some very successful community dinners and follow up meetings where some great ideas were captured. We hold high hopes for what these communities will be able to achieve in coming months and years. We are partnering with Australia's largest general insurer, Insurance Australia Group, to make this project a reality, and thank them for their ongoing support.

We launched our new 'Grants and Contributions Program' to help our community and businesses achieve greater prosperity and to open up opportunities to all. The program brings together six different streams of financial and in-kind support available to not-for-profit community groups, businesses and event organisers within Murrindindi Shire.

To remove barriers to participation in the life of our community, we have wiped overdue library fines. We hope this will encourage those who might have stayed away from our wonderful libraries to return and join in with all they have to offer.

After a review and considerable community and staff consultation, we made the decision to withdraw from delivering aged and disability services by the end of 2019. We are working with the Commonwealth and Victorian Governments as they go through the process of identifying a new provider. We aim to work closely with the new provider to ensure there is a smooth transition for our community.

We have worked hard to deliver the improvements to our infrastructure that keep our roads, paths and buildings in good condition. We delivered \$5.8 million in capital works across the Shire, including delivery of six Bushfire Memorials, refurbishment of the Yea Children's Centre, widening of the Eildon boat ramp and safety upgrades on Ghin Ghin Road. We also rolled out a new asset management system which will ensure that we can better manage our assets across the Shire and be more responsive to customer requests that relate to those assets.

While we have achieved much, we recognise our work is not yet done. In the final year of the term of the current Council, we are committed to building on what has been done and working for ongoing improvements to our internal processes and the services, we offer to our community.

We thank community members for their support in our work and for all the contributions you make to our civic life. We are committed to helping you achieve a wonderful Shire for future generations.

MESSAGE FROM OUR CEO



It has been a busy and productive year for Council and one in which we have initiated considerable change. We think these changes have delivered a range of improvements to the way we deliver services for our community.

We kicked off this work with a review of our organisation to ensure our staffing and structure was set up to be more responsive to the service needs of our community. We re-aligned our directorates and re-distributed resources to ensure we deliver on the objectives in the Council Plan, deliver our services as efficiently as possible, and continue to meet our legal obligations in an ever-changing regulatory environment.

We reallocated resources so that we are better able to manage governance and risk, community engagement and land planning and to deliver our customer services, including in the resolution of complex customer cases. We have also created a Development Assessment Team to speed up our processes for assessing new development applications.

Our new structure will also assist us to focus on creating shared models of service delivery with other councils so that we are operating more efficiently and potentially reducing costs.



We have maintained our sound financial standing. We have a healthy working capital position that is driven largely by our strong cash holdings. Our debt levels continue to reduce as we pay down our existing loan balances, while not adding new borrowings.

Ensuring we renew our assets continues to be a challenge. We are working to address our current asset renewal gap through a review of our asset management strategy and through the introduction of new systems to improve the management of our assets. We are also strategically reviewing the best use of our financial reserves to address our future asset needs.

Council has been on a deliberate path to improve its focus on our customers. The Customer First Project has overhauled all of our customer-facing systems and processes, ensuring faster, more efficient and more professional service. We have also deployed systems which give us a much better picture of our customer interactions, including helping us to 'close the loop' with customers and to assess customer satisfaction through surveys. We also created a Customer Contact Centre to improve the experience for those customers phoning or visiting Council in person.

We are pleased to report that community satisfaction with our services appears to be growing. We are also thrilled that our efforts over the last year were recognised when we were announced as the winner of the 2019 LG Pro Customer Service Award for our Customer First Project.

Following the temporary closure of the Yea Depot in April 2018 due to concerns about its condition, we bedded down the consolidation of the two depots into one Operations Centre at Alexandra so we could continue to deliver services across the Shire while reviewing our future needs. We commenced the review of our operations to ensure we are providing a responsive and efficient service across the Shire. We also deployed a new asset management system so we can efficiently oversee and better manage all of our assets, including our community facilities.

Waste is a topical issue for all councils. Many councils have been negatively affected by the recycling crisis - the collapse of our external markets for recycling in Asia and problems with local recycling operations. Fortunately, we were able to work with our recycling contractor, to ensure the continuation of a recycling service for our Shire. We are working with a number of other councils on a range of waste initiatives to best respond to this changing environment.

We have done a lot of work on a new waste strategy in the context of these changes – we hope to be starting more conversations with our community about this shortly.

Of course, the solutions to our waste issues don't all lie with the government. We have also been collaborating with other councils to engage with the community about waste education in order to deliver a Waste Education Strategy and Action Plan. We are confident this will assist with making positive changes to how we all deal with waste, with the aim of minimising items going to landfill and ensuring we all understand what can and can't be recycled.

I look forward to building on the momentum we have created this year to further improve how we operate and the services we offer.

COUNCILLORS



Cr Sandice McAulay (Mayor - 31 October 2018 to present)

Cathedral Ward

First elected: October 2016

Portfolio: The Mayor doesn't hold a Portfolio

Ward townships: Buxton, Marysville, Narbethong, Taggerty

Cr McAulay was appointed to represent Murrindindi Shire Council on the following advisory committees and external committees during the 2018/19 year:

- Audit & Risk Advisory Committee
- Buxton Recreation Reserve Committee of Management
- Chief Executive Officer Performance Review Sub-Committee
- Gallipoli Park Precinct Committee of Management
- Municipal Emergency Management Planning Committee
- Municipal Association of Victoria (MAV) Council Delegate
- Rural Councils Victoria (RCV)
- Yea Cemetery Trust

Cr Leigh Dunscombe (Deputy Mayor - 31 October 2018 to present)

Kinglake Ward

First elected: October 2016

Portfolio: Financial Services and Grants

Ward townships: Kinglake, Toolangi

Cr Dunscombe was appointed to represent Murrindindi Shire Council on the following advisory committees and external committees during the 2018/19 year:

- Audit & Risk Advisory Committee
- Chief Executive Officer Performance Review Sub-Committee
- Goulburn Valley Waste & Resource Recovery Local Government Forum
- Yea Cemetery Trust



Cr Rebecca (Bec) Bowles

Cheviot Ward

First elected: October 2016

Portfolio: Waste and Environment and Information Technology

Ward townships: Flowerdale, Strath Creek, Yea

Cr Bowles was appointed to represent Murrindindi Shire Council on the following advisory committees and external committees during the 2018/19 year:

- Chief Executive Officer Performance Review Sub-Committee
- Goulburn Broken Greenhouse Alliance
- Strath Creek Reserves and Hall Committee of Management
- Yea Pioneer Reserve Committee of Management
- Yea Saleyards Committee of Management (alternate)
- Yea Showgrounds and Recreation Reserve Committee of Management
- Yea Wetlands Committee of Management
- Yea Cemetery Trust



Cr Jackie Ashe

Eildon Ward

First elected: October 2016

Portfolio: Communications, Tourism and Events

Ward townships: Eildon, Thornton

Cr Ashe was appointed to represent Murrindindi Shire Council on the following advisory committees and external committees during the 2018/19 year:

- Chief Executive Officer Performance Review Sub-Committee
- Eildon Alliance Boat Ramp Committee of Management
- Eildon Community Resource Centre Committee of Management
- Goulburn Valley Waste & Resource Recovery Local Government Forum (alternate)
- Yea Cemetery Trust



Cr Eric Lording

King Parrot Ward

First elected: September 2015, re-elected October 2016

Portfolio: Waste and Environment Infrastructure

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

Cr Lording was appointed to represent Murrindindi Shire Council on the following advisory committees and external committees during the 2018/19 year:

- Central Ranges Local Learning and Employment Network (CRLLEN) (alternate)
- Chief Executive Officer Performance Review Sub-Committee
- Flowerdale Community Hall Reserve Committee Inc. (DELWP)
- Flowerdale Community House Inc.
- Glenburn Community Centre Committee of Management
- Yea Cemetery Trust



Cr Charlie Bisset (Mayor 1 July 2018 to 31 October 2018)

Koriella Ward

First elected: October 2016

Portfolio: Youth, Recreation and Community Planning

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

Cr Bisset was appointed to represent Murrindindi Shire Council on the following advisory committees and external committees during the 2018/19 year:

- Central Ranges Local Learning and Employment Network (CRLLEN)
- Chief Executive Officer Performance Review Sub-Committee
- Murrindindi Scenic Reserve Committee of Management (DELWP)
- Rubicon Outdoor Centre School Council
- Rural Councils Victoria (RCV)
- Steavenson Falls Scenic Reserve Committee of Management (DELWP)
- Yea Cemetery Trust
- Yea Saleyards Committee of Management



Cr Margaret Rae

Redgate Ward

First elected: October 2012, re-elected October 2016

Portfolio: Land Use Planning and Aged and Disability Services

Ward townships: Alexandra

Cr Rae was appointed to represent Murrindindi Shire Council on the following advisory committees and external committees during the 2018/19 year:

- Alexandra Racecourse & Recreation Reserve Committee of Management (DELWP)
- Alexandra Showgrounds & Recreation Reserve Committee of Management (DELWP)
- Audit and Risk Advisory Committee
- Chief Executive Officer Performance Review Sub-Committee
- Municipal Association of Victoria (MAV)- Planning Committee
- Yea Cemetery Trust

OUR ORGANISATION



Craig Lloyd

Chief Executive Officer

Craig commenced as Interim Chief Executive Officer at Murrindindi Shire Council on 8 January 2018 and was appointed Chief Executive Officer on 1 July 2018.

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.

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

Stuart McConnell
Director Assets and Development

Stuart McConnell started with Council in January 2017 in the role of General Manager Infrastructure and Development Services. Stuart brings a range of executive experience from the Department of Environment, Land, Water and Planning, and the Environment Protection Authority. He has a strong commitment to delivery of outcomes for the community, working in partnership, customer service and community engagement.

Stuart leads the Assets and Development Division which includes Community Assets, Development Services, Capital Works 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 brings a customer-focused approach to regulatory services.

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

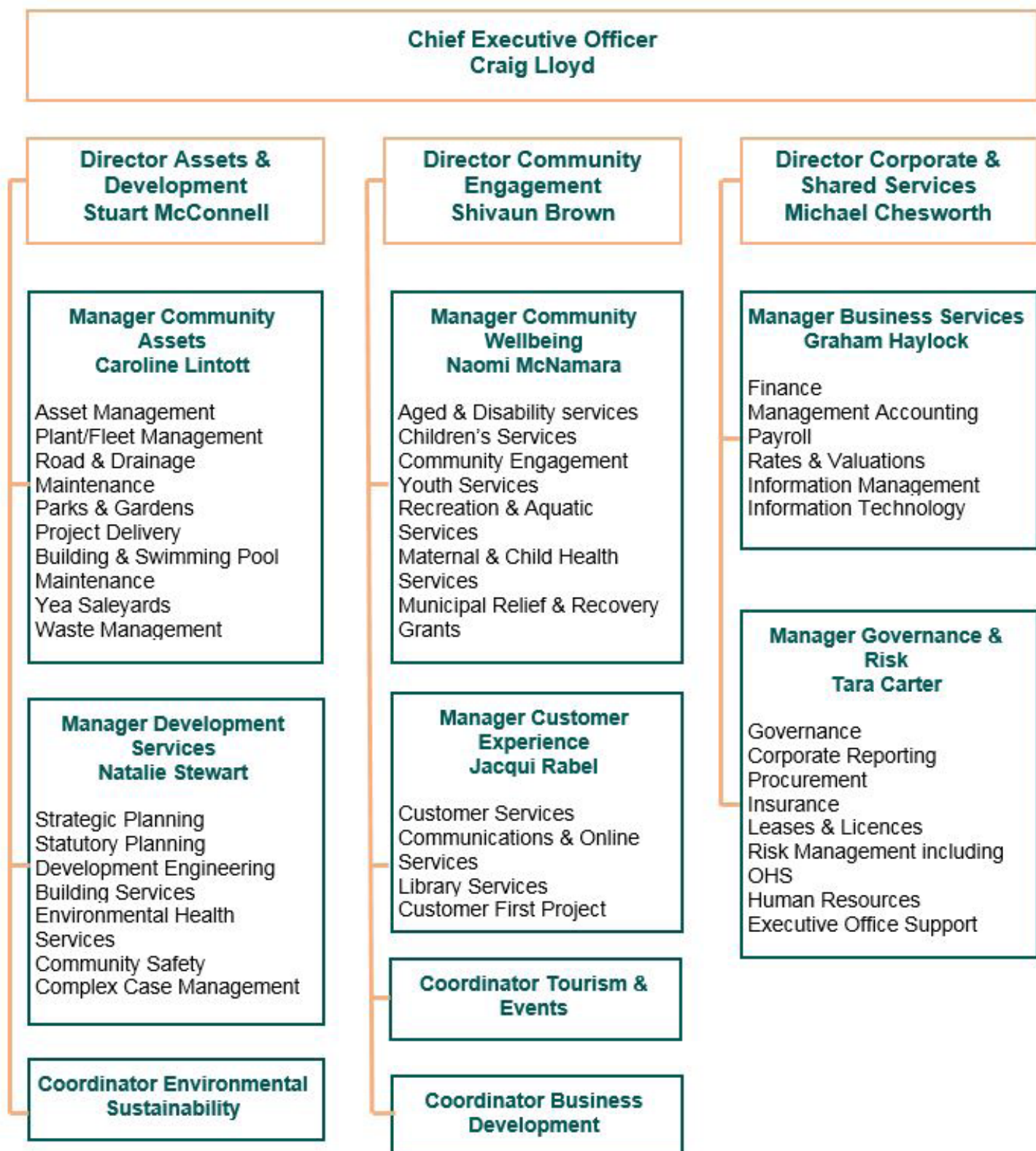
Michael Chesworth
Director Corporate and Shared Services

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 an Acting CEO role on several occasions. 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).



ORGANISATION STRUCTURE





HIGHLIGHTS 2018/19

OUR PEOPLE

- We supported community groups and schools across the Shire with 62 projects to mark the 10th Anniversary of the 2009 Bushfires.
- We officially opened the Marysville Information and Regional Artspace (MiRA).
- We completed and officially opened the Yea and District Children's Centre redevelopment.
- We developed and finalised the Community Planning Framework and began community planning trials in Yea, Toolangi and Marysville.
- We secured temporary access for residents of the Kinglake Ranges to mental health services in the northern suburbs of Melbourne.
- We completed the review of Aged and Disability Services following extensive consultation and made the decision to transition direct service delivery of these services to other providers by the end of 2019.
- We secured funding to develop a volunteer-based community transport program – Moving Murrindindi – to increase transport options for vulnerable residents in the Shire.
- We officially re-launched the refurbished Mobile and Customer Service van bringing Council services directly to more communities across the Shire.
- We removed overdue library fines to encourage increased participation by community in our library services.



OUR PLACE

- We completed the construction of the six 2009 Bushfire Memorials following extensive consultation with community groups.
- We successfully supported our community to access over \$320,000 State Government funding to enhance recreation facilities in 2019/20.
- We successfully delivered over \$530,000 of recreation related capital works projects to support participation and wellbeing outcomes for our communities.
- We adopted our Recreation and Open Space Strategy 2018-2028 Council following community consultation.
- We developed a concept design and consulted the community in relation to the Kinglake Streetscape Project and secured grant funding for the works.
- We completed the delivery of the Dindi Solar Bulk Buy Scheme across the Shire.
- We installed additional flagpoles at all of our Council Offices to enable the Aboriginal and Torres Strait Islander flags to be flown.
- We were the first Council in Victoria to update our Planning Scheme to better integrate and streamline State and Local Planning Policy.

OUR PROSPERITY

- We launched a new grants and contributions program including funding streams to support local business and tourism development and innovation.
- In partnership with Regional Development Victoria, Mansfield Shire Council, and Goulburn Murray Water we secured State Government funding of \$150,000 to progress development opportunities in Eildon.
- Our Discover Dindi social media presence grew by 10,000 over the year with content reaching over 2.5 million people.
- We created eight regional tourism videos to promote Murrindindi Shire.
- We supported over 40 tourism events in Murrindindi Shire.
- We produced 33 What's On Murrindindi e-newsletters, growing our audience by 18%.
- Consistent advocacy in relation on mobile phone coverage resulted in seven new towers commencing operation or being announced.

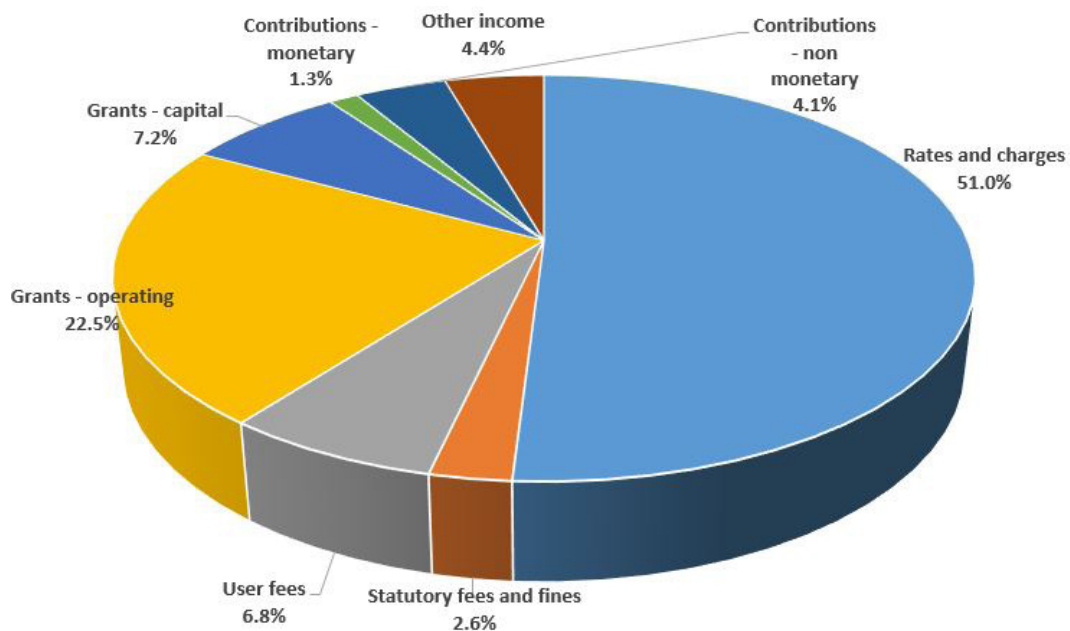
OUR PROMISE

- We successfully advocated to relevant Federal and State ministers, local MPs and agencies to promote priority issues for Murrindindi Shire including:
 - Preparation for the 10-year anniversary of the 2009 Bushfires, with \$344,250 funding support for community commemorative events and community development activities
 - Funding totaling \$1.5 million to support the redevelopment of the Kinglake Streetscape
 - Funding support of \$395,000 from State Government for infrastructure improvements to upgrade public recreational facilities at Lake Eildon and assist the Eildon Houseboat Industry
 - Securing a State Government election commitment for \$1.7 million to build new clubroom facilities at the Alexandra Recreation Reserve.
- We launched our new Customer Contact Centre within Council to enable a more responsive and efficient response to customer phone enquiries and requests.
- We implemented a new Customer Service Charter for the organisation, including staff training to support our 'Customer First' approach.
- Our positive customer service ratings increased from 59% to 74% during the year.
- We made Council meetings more accessible by making audio recordings of meetings available on Council's website.
- We realigned our organisational structure to achieve a greater focus on customer service, community engagement, shared services and systems improvement and innovation.

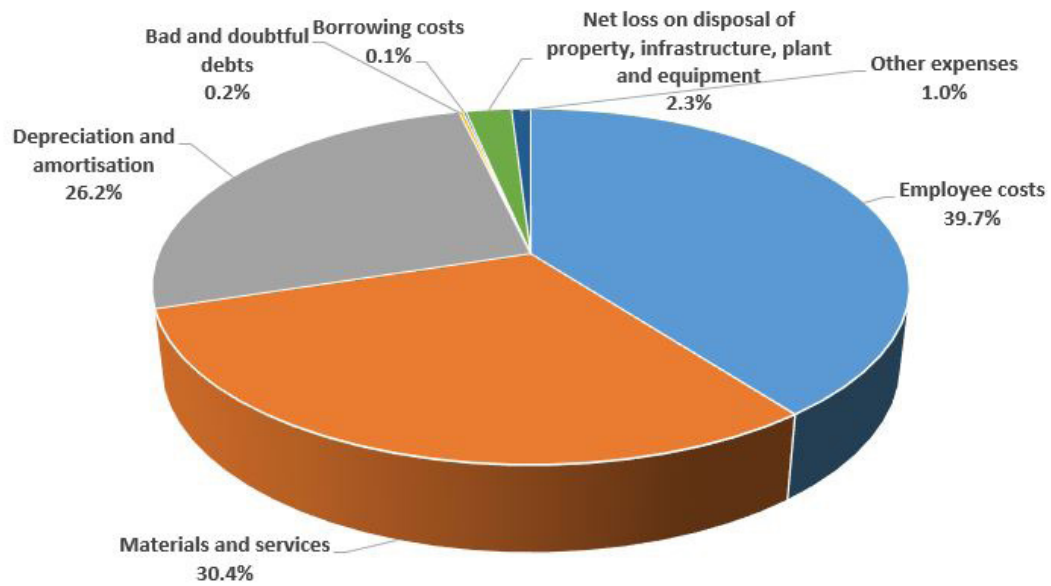


FINANCIAL OVERVIEW 2018/19

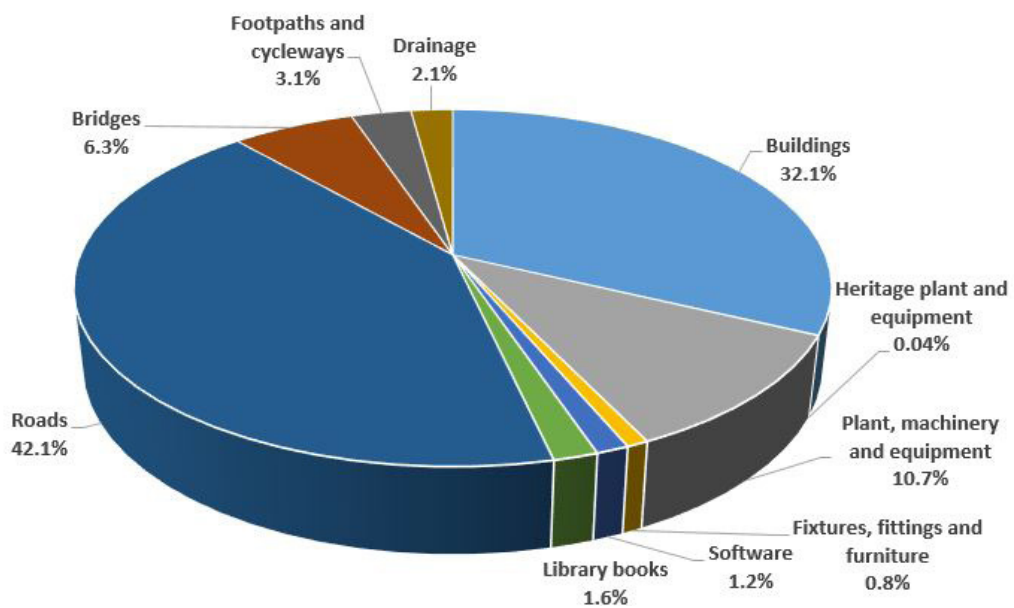
Income Breakdown



Operating Expense Breakdown



Capital Expenditure Breakdown





PERFORMANCE REPORTING

We report our performance under the four strategic objectives of the 'Council Plan 2017-2021'. The Council Plan is the key strategic document which reflects Council's priorities and informs our work.



OUR PEOPLE

STRATEGIC OBJECTIVE 1: TOGETHER WE WILL CELEBRATE AND ENCOURAGE DIVERSE, CARING AND CONNECTED COMMUNITIES.

WHAT WE AIM TO ACHIEVE: (STRATEGIES)

1. Encourage activities and events that celebrate our vibrant, diverse and creative people and communities

WHAT WE DID IN 2018/19:

- We continued to recognise the contribution and success of our community members and groups at Council meetings.
- We actively promoted community events and programs on offer in our Shire through social and print media.
- We supported many community groups and schools across the Shire with 62 community projects to mark the 10th Anniversary of the 2009 Bushfires.
- We supported children and young people through a range of youth activities including the Platform Youth Theatre Group, relationship and leadership workshops, library programs, ELF reading day and Children’s Week activities.
- We supported the Australia Day celebrations across the Shire including holding a Citizenship ceremony on Australia Day in Alexandra.
- We officially reopened the Marysville Information and Regional Artspace (MiRa).
- We officially re-launched the refurbished Mobile and Customer Service van bringing Council services directly to more communities across the Shire.
- We launched the Council Grants and Contributions program offering a range of grant streams to support community projects and events.
- We ran over 953 diverse programs across our library branches in Kinglake, Alexandra and Yea and on the Mobile library and Customer Service van at various locations around the Shire, with total attendance of 8,560.
- 77,768 items were borrowed from our libraries during the year
- The total number of active library members (i.e. those who used their library card in the last year) was 3,197.

WHAT WE AIM TO ACHIEVE: (STRATEGIES)

WHAT WE DID IN 2018/19:

2. Work with our community and groups to connect, collaborate and plan for our future

- We developed and finalised the Community Planning Framework and began community planning trials in Yea, Toolangi and Marysville.
- We provided infrastructure and operational support to a range of recreation clubs, groups and reserve committees.
- The Recreation and Open Space Strategy 2018-2028 was adopted by Council following community consultation.
- We celebrated our volunteers with a number of events to thank them for their contribution to Council services and our community.
- We supported 62 community events and projects through the Victorian Government grants to commemorate the 10th Anniversary of the 2009 Bushfires.
- We worked to support the community in managing media and communications through the 10th Anniversary of the 2009 Bushfires.
- We expanded our library service community connections with residents of local care facilities - Darlingford, Kellock, Dame Pattie Menzies and Rosebank – and with local schools across the Shire.
- We extended our 'house-bound' library loan services to communities in Yea and Kinglake.

3. Work with our partner agencies to ensure people of all ages can access the health and community services they need

- Following extensive consultation, we completed the review of Aged and Disability Services and made the decision to transition direct service delivery of these services to other providers by the end of 2019.
- We had 110 people participate in three community lunches across the Shire to celebrate Seniors Week.
- We changed the way we deliver childhood immunisations, offering regular sessions to improve accessibility and community safety.
- We secured temporary access for residents of the Kinglake Ranges to mental health services in the northern suburbs of Melbourne
- We trained 40 staff as accredited Mental Health First Aiders.
- We worked with the lower Hume Primary Care Partnership to undertake the 'RESPOND Systems Thinking Project' aimed at tackling childhood obesity.
- We worked with schools and youth service providers to explore how we can collaborate to improve youth resilience and mental health.
- We completed and officially opened the Yea and District Children's Centre redevelopment.
- We worked with early intervention services to improve inclusion of children with a disability in our education programs through Family Day Care.
- We were successful in receiving a grant to develop a community transport program – Moving Murrindindi – purchased vehicles and made preparations for making the new scheme operational.



WHAT WE AIM TO ACHIEVE: (STRATEGIES)

4. Create a positive environment that supports our young people to grow, participate and be happy

5. Promote opportunities for people of all ages to connect with and be involved in their community

WHAT WE DID IN 2018/19:

- We held everyday leadership workshops with Alexandra Secondary College, Yea High School and Whittlesea High School to support youth resilience and self-care and participation in the community.
- We worked with young people to support them to create and deliver youth activities across the Shire, including Battle of the Bands, Open Mic nights, recording workshops, art shows, school holiday programs, film production and performance activities.
- We established and delivered after school drop-in programs in Alexandra, Yea and Kinglake.
- We collaborated with Family Care and Kinglake Ranges Children's Centre to deliver parenting sessions (PEEP).
- We continued to support parents and children to participate in community via supported playgroups in Buxton and Kinglake, and delivering parent education sessions across the Shire.
- We provided tech savvy training for seniors in our community at our library branches to help them connect with one another and online.
- We removed overdue library fines to encourage increased participation by community in library services.
- We supported the Taggerty Community in establishing the Community Hub @ Taggerty (CH@T).

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 two events supported by Council's Community Grants Program this year were:</p> <ul style="list-style-type: none"> Alexandra Football Netball Club 2009 Bushfire reflections, ANZAC Spirit and local sports community celebration Alexandra, Yea and District 'Walk All Over Breast Cancer' event <p>The number of events supported decreased compared to the previous year as there were fewer applications from the community.</p>
		2018/19 - 2	

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	There has been a slight improvement in community satisfaction with elderly support services.
		2018/19 - 65	

Community satisfaction with family support services

Measure	Source	Result	Comment
Index score (maximum = 100) based on resident perceptions of performance of family support services	2019 Local Government Community Satisfaction Survey	2017/18 - 59	There has been a slight improvement in community satisfaction with family support services.
		2018/19 - 63	

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 library management system reports	2017/18 Members - 2,920	There has been an increase in active library members in the past 12 months.
		2018/19 Members - 3,197	

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	<ul style="list-style-type: none"> 64 young leaders attended consultations, planned and facilitated events, and/or co-designed youth events and activities 1,215 young people attended youth and community events and/or participated in youth programs including 'In school' programs and school holiday programs 760 community members attended events where young people were showcasing their skills and talents Previous year numbers was higher due to youth involvement in the Jayco Herald Sun Tour.
		2018/19 - 2,039	

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	Examples of collaboration included: <ul style="list-style-type: none"> Friends of the Library in Alexandra, Yea and Kinglake Municipal Public Health and Wellbeing Plan Moving Murrindindi Project Community Planning project in Marysville, Toolangi and Yea Murrindindi Children's Network Kinglake Early Years Network Ellimatta Youth Incorporated Aged and Disability service Providers Workforce Development Project Youth Development workshops in schools
		2018/19 Networks - 21 Plans - 5 Projects - 6	

REPORT OF OPERATIONS - OUR PEOPLE

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

SERVICE PERFORMANCE INDICATORS SERVICE/INDICATOR/MEASURE	RESULTS 2017/18	RESULTS 2018/19	MATERIAL VARIATIONS
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	0.00	Regular inspections of aquatic sites are undertaken throughout the aquatic season, including an annual audit conducted by Life Saving Victoria to ensure water quality is maintained to correct standards. However, some elements of the defined health inspection were not completed in line with the required process, and hence the '0' result in reported. Council is implementing health inspections in accordance with the required process in 2019-20.
Health and Safety			
Reportable safety incidents at aquatic facilities [Number of WorkSafe reportable aquatic facility safety incidents]	0.00	0.00	There have been no reportable safety incidents at aquatic facilities in Murrindindi Shire in 2018/19.
Service Cost			
Cost of outdoor aquatic facilities [Direct cost of outdoor aquatic facilities less income received / Number of visits to outdoor aquatic facilities]	\$14.46	\$14.01	No material variations for 2018/19.
Utilisation			
Utilisation of aquatic facilities [Numbers of visits to aquatic facilities / Municipal population]	1.42	1.53	No material variations for 2018/19.

SERVICE PERFORMANCE INDICATORS SERVICE/INDICATOR/MEASURE	RESULTS 2017/18	RESULTS 2018/19	MATERIAL VARIATIONS
Libraries			
Utilisation			
<p>Library collection usage</p> <p>[Numbers of library collection item loans / Number of library collection items]</p>	2.16	2.20	Collection usage remains relatively constant over time.
Resource Standard			
<p>Standard of library collection</p> <p>[Number of library collection items purchased in the last 5 years / Number of library collection items] x 100</p>	54.45%	51.77%	Standard of the collection remains relatively constant over time and appropriate when benchmarked against other comparable libraries.
Service Cost			
<p>Cost of library service</p> <p>[Direct cost of the library service / Number of visits]</p>	\$5.50	\$7.54	Cost to deliver the library service has not increased materially, but the number of visits appears to have decreased which accounts for this variance. The number of visits is counted via door counters which are unreliable measurement tools for all library services, but particularly services like Murrindindi's which are joint customer service and library facilities.
Participation			
<p>Active library members</p> <p>[Number of active library members / Municipal population] x 100</p>	20.61%	22.08%	Active library membership remains largely constant but has climbed in the year under review.

SERVICE PERFORMANCE INDICATORS SERVICE/INDICATOR/MEASURE	RESULTS 2017/18	RESULTS 2018/19	MATERIAL VARIATIONS
Maternal and Child Health (MCH)			
Satisfaction Participation in first MCH home visit [Numbers of first MCH home visits / Number of birth notifications received] x 100	95%	106.12%	Participation and engagement in Maternal and Child Health Services continues to be high in Murrindindi Shire, the 2018/19 result is over 100% due to our service conducting first home visits to babies where birth notices were received in other locations.
Service Standard Infant enrolments in the MCH service [Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications] x 100	100.84%	94.53%	No material variations for 2018/19.
Participation Participation in the MCH service [Number of active library members / Municipal population] x 100	100%	86.75%	This measure reflects the level of participation in Key Age and Stage (KAS) assessments, which can fluctuate if KAS assessments are not due for older toddlers.
Participation Participation in the MCH service by Aboriginal children	100%	89.19%	A small number of families which initially received the service left during the year, which accounts for the decrease in 2018/19 .



OUR PLACE

STRATEGIC OBJECTIVE 2:

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

WHAT WE AIM TO ACHIEVE: (STRATEGIES)

1. Support recreation opportunities for our residents and visitors that encourage participation and community connections

WHAT WE DID IN 2018/19:

- We successfully supported our community to access over \$320,000 State Government funding to enhance recreation facilities in 2019/20.
- We successfully delivered over \$530,000 of recreation related capital works projects to support participation and wellbeing outcomes for our communities.
- The Recreation and Open Space Strategy 2018-2028 was adopted by Council following community consultation.
- Grass roots sporting clubs across Murrindindi have been supported with facility planning to support sustainability.

WHAT WE AIM TO ACHIEVE: (STRATEGIES)

WHAT WE DID IN 2018/19:

2. Improving links and making Murrindindi Shire easier to navigate and its services and destinations easy to find

- We delivered improved signage for key cycling routes and the Great Victorian Rail Trail.
- We delivered safety upgrades on Ghin Ghin Road and secured Regional Roads Victoria funding for upgrades on key link roads including King Parrot Creek Road, Rubicon Road and Back Eildon Road.

3. Through good land use planning enhance the liveability, prosperity and the rural character of our Shire

- We commenced Planning Scheme Amendment C67 for Alexandra Waste Facilities to manage environmental risks.
- We worked with the Victorian Government to reformat the Murrindindi Planning Scheme to better integrate and streamline State and Local Planning Policy.
- We developed a concept design and consulted the community in relation to the Kinglake Streetscape Project in line with the Kinglake Ranges, Flowerdale and Toolangi Plan and Design Framework. We have also secured grant funding for the works.
- We delivered planning scheme amendments to incorporate Council's new Gaming Policy and to address a range of anomalies and minor changes.
- We commenced our review of our strategic land use planning documents to determine priorities for implementation.
- We worked with State Government agencies to assist households living in temporary accommodation in bushfire-affected areas to transition to permanent accommodation or to formalise their current accommodation arrangements.

4. Strengthen the environmental sustainability of our communities, protect our natural environment and reduce resource consumption

- We delivered the Dindi Solar Bulk Buy scheme.
- We completed works on UT Creek to remove gravel build up and post flood damage after the December 2017 rainfall event.
- We conducted a survey of residents' perceptions of waste education including 'listening posts' in key public places across the Shire.
- We continued our engagement with neighbouring councils and the regional waste group to plan for ongoing processing of kerbside recyclables in a changing market.
- We continued development of Council's Waste 2050 Strategy and planning for the future of the Alexandra Landfill.
- We completed our first year of free green waste disposal at Council's Resource Recovery Centres (RRCs).
- We delivered a community education program in relation to E-waste, leading up to the landfill ban from 1 July 2019, and commenced upgrades of facilities at the RRCs for receipt of e-waste.
- We completed audits of Council facilities relating to the Local Government Energy Saver Program to develop a plan of actions to reduce energy consumption.
- We delivered a range of programs in partnership with the Upper Goulburn Landcare Network, including the Queensland Fruit Fly Monitoring Trial, National Tree Day event and the Aussie Backyard Bird Count.



WHAT WE AIM TO ACHIEVE: (STRATEGIES)

5. Recognise and embrace the history, culture and identity of our towns and communities

WHAT WE DID IN 2018/19:

- We completed the construction of the six 2009 Bushfire Memorials following extensive consultation with community groups, and provided extensive information to the media to assist with sensitive coverage of the 2009 Bushfire Anniversary.
- We introduced a revised Acknowledgement of Country introductory wording to all Council events.
- We installed additional flagpoles at all of our Council Offices to enable the Aboriginal and Torres Strait Islander flags to be flown alongside the Australian Flag.
- We posted videos on social media showcasing some of the recipients of the 2017 Murrindindi Business Awards, which received over 15,000 views.
- We initiated planning with the Taungurung Land and Water Council in relation to signage to recognise the traditional owners of land in the Murrindindi Shire.

6. Enhance community safety, resilience and liveability through improved planning, community engagement, and a fair and transparent approach to compliance

- We adopted and implemented the Compliance and Enforcement Policy to set out Council's approach to compliance and enforcement in administering local laws and relevant legislation.
- We developed a draft Domestic Wastewater Management Plan.
- We commenced a review of Council's Community Local Law.
- We continued to promote responsible pet ownership through new avenues including the animal registration renewal mail out and social media channels.
- We brought forward the completion of Council's Fire Prevention Roadside Slashing Program, including a second cut where necessary.
- We issued 500 fire prevention notices for fuel reduction on private land with follow up to ensure compliance.

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 1% increase	Council's electricity consumption has reduced by 2.7% this year. Since 2013/14 when the measures were established electricity consumption has reduced by 32%.
		2018/19 2.7% 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 18% decrease	Council's potable water consumption has reduced by 4.2% this year. Since 2013/14 when the measures were established potable water consumption has reduced 21%.
		2018/19 4.2% decrease	

Measure	Source	Result	Comment
Percentage change in Council's annual paper consumption compared with previous year	Council's Papercut Reporting System	2017/18 5% increase	Council's paper consumption has reduced by 11% this year. Since 2013/14 when the measures were established paper consumption has reduced by 39%.
		2018/19 - 11% 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 contractor's weighbridge	2017/18 - 35%	This is consistent with 2017/18, a minor reduction may reflect the start of a decline in faith in the recycling sector as a whole.
		2018/19 - 34.09%	

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	There was a slight improvement in community satisfaction with the appearance of public places.
		2018/19 - 71	

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	There has been a continued positive trend in community engagement in safety planning and preparation.
		2018/19 - 45	

Community satisfaction with Council's land use planning policy

Measure	Source	2017/18 - 93%	Comment
		2018/19 - 96%	
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)		Community satisfaction with Council land use planning policy remained consistent with the previous year.

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	There has been an increase in community satisfaction with the condition of sealed roads.
		2018/19 - 48	

Measure	Source	Result	Comment
Proportion of roads and transport capital works program delivered in the 2017/18 financial year	Council's capital works program	2017/18 - 90%	Capital Delivery has remained largely consistent with only a 5% change in 2018/19.
		2018/19 - 85%	

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 SERVICE/INDICATOR/MEASURE	RESULTS 2017/18	RESULTS 2018/19	MATERIAL VARIATIONS
Animal Management			
Service Standard Animals reclaimed [Number of animals reclaimed / Number of animals collected] x 100	60%	30.48%	The lower proportion of animals reclaimed in 2018/19 reflects changes in the definition of "reclaimed" and a substantial increase in the number of cats, in particular feral cats, collected over the year. Cats, particularly feral cats, typically do not have a high return rate. 93% of dogs were either returned to their owner or rehomed in 2018/19.
Service Cost Cost of animal management service [Direct cost of the animal management service / Number of registered animals]	\$39.52	\$53.29	The cost increase is due to an increase in the number of animals impounded over the year, increased external charges and resourcing changes.
Health and Safety Animal management prosecutions [Number of successful animal management prosecutions]	0.00	1.00	
Food Safety			
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] x 100	88.24%	86.84%	At 30 December 2018, Council had completed 86% of scheduled inspections, based on risk. This is a slight decrease on the previous year.

SERVICE PERFORMANCE INDICATORS SERVICE/INDICATOR/MEASURE	RESULTS 2017/18	RESULTS 2018/19	MATERIAL VARIATIONS
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]	\$553.05	\$1,124.23	Data cleansing associated with transition to a new system for health data reporting identified that the number of premises previously used for calculation of the average cost was incorrect due to inclusion of inactive premises. This resulted in an artificially low cost per premises figure.
Health and Safety Critical and major non-compliance outcome notifications [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x 100	100%	100%	No material variations for 2018/19.
Roads			
Satisfaction of Use Sealed local road requests [Number of sealed local road requests / Kilometres of sealed local roads] x 100	14.35	8.79	The number of sealed road requests has been variable across the last 4 years and the 18-19 result is in the range of previous years. The number of requests can be affected by a range of environmental factors relating to sealed road conditions. Further, the implementation of a new maintenance management system and creation of asset maintenance categories has streamlined the correct allocation of maintenance works orders which should assist in providing more consistent data in the future.
Condition Sealed local roads below the intervention level [Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads] x 100	90.64%	91.62%	No material variations for 2018/19.

SERVICE PERFORMANCE INDICATORS SERVICE/INDICATOR/MEASURE	RESULTS 2017/18	RESULTS 2018/19	MATERIAL VARIATIONS
Service Cost Cost of sealed local road reconstruction [Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]	\$52.37	\$57.18	No material variations for 2018/19.
Service Cost Cost of sealed local road resealing [Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]	\$7.89	\$4.18	A collaborative procurement approach with other North East Victorian councils delivered very significant savings in the cost of resealing works. Council also achieved a reduction in the square metre cost for these works by targeting larger areas in the reseal program, allowing greater efficient delivery.
Satisfaction Satisfaction with sealed local roads [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	42.00	48.00	A focused approach to sealed road network has seen an improvement in community satisfaction.
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]	57.00	60	Council saw a substantial increase in planning applications in 2018/2019 as a result of the introduction of the Bushfire Management Overlay in the Planning Scheme. This increased workload has seen an increase in timeframes to determine applications.
Service Standard Planning applications decided within 60 days [Number of planning application decisions made within 60 days / Number of planning application decisions made] x 100	68.37%	69.52%	No material variations for 2018/19.
Service Cost Cost of statutory planning service [Direct cost of the statutory planning service / Number of planning applications received]	\$1,551.67	\$1,630.19	No material variations for 2018/19.

SERVICE PERFORMANCE INDICATORS SERVICE/INDICATOR/MEASURE	RESULTS 2017/18	RESULTS 2018/19	MATERIAL VARIATIONS
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] x 100	100%	100%	One Council Planning decision was referred to VCAT in 2018/2019. Council's decision was upheld by VCAT.
Waste Collection			
Satisfaction Kerbside bin collection requests [Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households] x 1000	18.91	85.18	The implementation of a comprehensive customer request system has resulted in a more complete record of the range of waste-related requests to Council. This has resulted in a significant increase in the number of requests recorded.
Service Standard Kerbside bin collection requests [Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts] x 10,000	1.12	0.98	This reflects a minor improvement in the missed bin rate reported and may reflect improvements in data management.
Service Cost Cost of kerbside garbage bin collection service [Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]	\$68.36	\$70.42	No material variations for 2018/19.
Service Cost Cost of kerbside recyclables collection service [Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins]	\$59.40	\$62.76	No material variations for 2018/19.
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%	No material variations for 2018/19.



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)

1. Use a fresh approach to attract new and existing business investment

WHAT WE DID IN 2018/19:

- We launched a new grants and contributions program that continued to provide funding opportunities for business and tourism innovation.
- Our Development Assessment Team has continued to work with developers to provide clear and integrated advice for significant new investments such as the proposed Kinglake Village development. This included 17 onsite visits with potential developers.
- We focused on improving our approach to investment attraction through strengthening our customer service.
- We secured grant funding to address infrastructure issues that would enable businesses to continue to grow and invest including Eildon Houseboat Industry infrastructure project (\$50k Business and Tourism Grant from Council leveraged \$675k of external grant funding) and improved access for businesses in Pheasant Creek.
- The value of building works permitted within the Shire during the year was \$37.3 million for domestic building works and \$2.6 million for commercial works.
- We secured State Government funding of \$150,000 to support Goulburn Murray Water, Regional Development Victoria, Mansfield Shire Council and GRVT to progress development opportunities in Eildon.

WHAT WE AIM TO ACHIEVE: (STRATEGIES)

WHAT WE DID IN 2018/19:

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

- Discover Dindi social media presence has grown by 10,000 over the past 12 months with content reaching over 2.5 million people.
- We worked with business groups to develop a Murrindindi Visitor Guide.
- We attended the Good, Food & Wine Show as part of Goulburn River Valley Tourism.
- We created eight regional tourism videos to promote Murrindindi Shire.
- We supported over 40 tourism events in Murrindindi Shire.
- We produced 33 What's On Murrindindi e-newsletters, growing our audience by 18%.
- We renewed the Yea Tourist Information boards
- We completed the final year of the Doing Business Better – Stage 1 Program, which included funding support totalling \$13,000 to support the Kinglake Country Fair, Alexandra Pro Rodeo and Murrindindi Cycle Club. We also provided training for businesses and organisations in social media marketing, the development of marketing resources including for promotion through social media.

3. Support and encourage local businesses to work together, thrive and grow, through networking, start-up assistance, mentoring, and access to skills

- We supported seven business events as well as the 2019 Murrindindi Business Awards, bringing to a close the targeted funding support to the local business sector of \$48,400 over the 3 years of the Doing Business Better – Stage 1 Program.
- We delivered 10 monthly Murrindindi Business e-newsletters and increased our audience by 8%.
- We adopted a Grants and Contributions Policy which enables the delivery of Council's Business and Tourism Grants.

4. Advocate for and support high quality opportunities for education and training to meet community and business needs

- We advocated to all levels of Government on behalf of our community for improved education provision in our Shire with specific advocacy for locally-based TAFE courses.

5. Advocate for improved infrastructure and access to public land to realise social and economic opportunities

- Consistent advocacy in relation on mobile phone coverage resulted in seven new towers commencing operation or announced.
- We secured \$1,500,000 of State and Federal Government funding for the Kinglake Streetscape improvement.
- We continued to advocate to State Government to support improved infrastructure and access to public land to increase recreation and social options.
- We liaised with the Department of Environment, Land, Water and Planning in relation to the future of regional forest agreements.

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	The number of local businesses receiving Council's monthly business e-newsletter increased significantly during 2018/19.
		2018/19 - 291	

Measure	Source	Result	Comment
Number of local business events supported by Council	Council's internal records	2017/18 - 29	The number of business events supported by Council reduced substantially in 2018/19 due to decreased funding streams and resources.
		2018/19 - 7	

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	The value of commercial development during the year fell compared with the previous year due to fewer large scale development proposals being received by Council.
		2017/18 - \$2.6 million	

STRATEGIC INDICATORS - OUR PROSPERITY

Growth in new dwelling approvals

Measure	Source	Result	Comment
Number of new dwelling building approvals	Council's building permit register	2017/18 - 108	New dwelling approvals was consistent with the previous year.
		2018/19 - 111	

Measure	Source	Result	Comment
Value of new dwelling works approved	Council's building permit register	2017/18 - \$31.3 million	The value of new dwellings approved increased in 2018/19.
		2018/19 - \$37.3 million	

Increased visitation to the Shire

Measure	Source	Result	Comment
Estimated domestic overnight visitors to the Shire	Australian National Visitors Survey	2017/18 - 322,000	Visitation figures have decreased across the region, generally this is a result of environmental factors impacting on shortened recreation seasons.
		2018/19 - 244,000	



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	Council was the first in Victoria to update our Planning Scheme to better integrate and streamline State and Local Planning Policy.
		2018/19 - 3	Council resolved on the C62 Planning Scheme Amendment to formalise guidelines around the installation and use of electronic gaming machines across the Shire. Council further reviewed the C63 in 2018/19 to make some minor amendments to the Planning Scheme.

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)

1. Represent and advocate for our community in a transparent and equitable way

WHAT WE DID IN 2018/19:

We successfully advocated to relevant Federal and State ministers, local MPs and agencies to promote priority issues for Murrindindi Shire including:

- Preparation for the 10-year anniversary of the 2009 Bushfires, with \$344,250 funding support for community commemorative events and community development activities
- Funding totaling \$1.5 million to support the redevelopment of the Kinglake Streetscape
- Funding support of \$395,000 from State Government for infrastructure improvements to upgrade public recreational facilities at Lake Eildon and assist the Eildon Houseboat Industry
- Improving community access to mental health services, with the temporary removal of restrictions on residents across the Kinglake Ranges accessing northern Melbourne services
- Securing State Government funding of \$600,000 to improve roads in the Shire
- Securing a State Government election commitment for \$1.7 million to build new clubroom facilities at the Alexandra Showgro unds and Recreation Reserve
- Improving community transport options in Murrindindi Shire with \$150,000 State funding for the Moving Murrindindi transport initiative.

	<p>We also advocated for:</p> <ul style="list-style-type: none"> improved management of the Black Spur and other road related safety improvements improvements to the provision of secondary and post-secondary education services in the Shire resolution to water and sewerage supply arrangements at the Rubicon Village improvements to the electricity supply network in the Kinglake Ranges improved timing of Federal Assistance Grants payments to Council.
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 enhanced our geographic mapping technology to improve our ability to locate, monitor and address issues with our infrastructure. We introduced a number of systems to improve our responsiveness to customers, including rollout of a Customer Request Management system and its integration with Council's asset works programming system and the 'Snap, Send Solve' app to help provide better service to our customers. We introduced improvements to payment options for pool users including online pools season pass application process and payment method, business card style season pass.
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 introduced an emailed customer satisfaction survey for customers who have received a service from Council to better understand their service experience. Our positive customer service ratings increased from 59% to 74% and negative ratings dropped from 21% to 19% during the year. We expanded our Local Law enforcement / community safety team to strengthen service provision and responsiveness across the Shire. We reviewed our role in the direct provision of Aged and Disability Services, and resolved to withdraw from this service and support other existing providers of these services in the Shire. We engaged an Immunisation Nurse to support the introduction of dedicated child immunisation sessions. We worked with all councils in the Hume Region to develop a funding application and business case for collaborative service delivery arrangements across councils.
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 Customer Service Charter and Values Statement for the organisation, including staff training to support our 'Customer First' approach. We adopted a new Customer Service Policy to ensure shared understanding by staff of our customer service standards and practices. We launched our new Customer Contact Centre within Council to enable a more responsive and efficient response to customer phone enquiries and requests. We introduced uniforms for all customer-facing staff to ensure we are identifiable to our customers and have a shared customer-focused identity.

WHAT WE AIM TO ACHIEVE: (STRATEGIES)

WHAT WE DID IN 2018/19:

5. Expand our communication and two-way engagement with the community

- We undertook online engagement with the community early in the planning stage for the 2019/20 Budget.
- We continued to expand and develop our Facebook and Instagram presence to ensure better communication with our community. We posted 1,627 times on Facebook and Instagram.
- Across all of our social media platforms, we achieved 21,450 page 'Likes' with a total reach of 3.3 million and 252,345 engagements.
- We distributed a new Council newsletter to our community via the rates notice mailout.
- We distributed 153 media releases and placed 787 advertisements during the year.
- We began audio recordings of our Council meetings from February, and made them available on Council's website.
- We hosted five business and community workshop consultations to help inform and advance the Tourism and Events Strategy
- Other community consultation we undertook during the year include:
 - the Kinglake Ranges Streetscape project
 - Our Grants and Contributions Programs
 - Our Recreation and Open Space Strategy
 - Yea Railway Park playground replacement
 - Alexandra Rotary Park Playground & Skate/BMX Park improvement options
 - Commenced our Community Planning projects in Yea, Toolangi and Marysville.

6. Maintain Council's financial sustainability through sound financial and asset management

- We commenced use of our new asset management system 'Assetic' to improve our ability to effectively manage and develop our assets.
- We continued to review our road design and maintenance methods to improve the working life of our road assets.
- We commenced a review of Council's discretionary cash reserves in order to ensure alignment with Council's long term financial planning needs.

7. Support a skilled, engaged and flexible workforce that can respond to changing needs

- We realigned our organisational structure to help deliver the strategic objective of the Council Plan with a focus on customers, community engagement, shared services and systems improvement and innovation.
- We continued providing an Employee Assistance Program for employees and councillors to access ad hoc coaching and counselling to support resilience and better mental health.
- We continued to support our staff to participate in leadership programs and opportunities including:
 - 2019 LGPro Executive Leadership Program
 - 2019 LGMA Australasian Management Challenge
 - secondment programs including hosting staff from other councils and placing our staff with other councils to broaden their skills.
- We continued to upskill Council officers in customer request management systems, processes and responses.
- We strengthened our approach to workplace Health and Safety through our participation in the Municipal Association of Victoria WorkCare Scheme.

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	2019 Local Government Community Satisfaction Survey	2017/18 - 46	Community satisfaction with Council's performance on consultation and engagement has improved significantly this year.
		2018/19 - 55	

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	2019 Local Government Community Satisfaction Survey	2017/18 - 44	Community satisfaction with Council's advocacy efforts improved significantly this year.
		2018/19 - 54	

Community satisfaction with our customer service

Measure	Source	Result	Comment
Index score (maximum = 100) based on resident perceptions of performance of customer service	2018 Local Government Community Satisfaction Survey	2017/18 - 67	Community satisfaction with Council's customer service has improved significantly this year.
		2018/19 - 73	



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	2018/19 Performance Statement	2017/18 Working Capital - 471.1% Unrestricted Cash - 73.1% Indebtedness - 27.7%	Council's financial position remains sound moving forward.
		2018/19 Working Capital - 590.2% Unrestricted Cash - 12.91% Indebtedness - 22.86%	

Increased workforce engagement

Measure	Source	Result	Comment
Weighted performance score (maximum = 100) based on employee satisfaction across a range of factors	2017 Staff Satisfaction Survey	2017/18 - 69	A staff satisfaction survey was not undertaken in 2018/19.
		2018/19 - 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"> • The Customer First Project including the transition to a central Customer Request Management System • The rollout of a new Asset Management database to improve management of assets across the organisation • The automation of waste customer services to ensure a faster service for our customers • Creation of a Customer Contact Centre to improve customer experience • Rollout of 'Snap, Send, Solve' for customers • Process mapping of a large number of our services to ensure a better experience for our customers • Introduction of a new 'script' system to help our staff provide great customer services to our community • Introduction of a series of 'smart' customer request forms to increase efficiency of our services.
		2018/19 - 8	

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 SERVICE/INDICATOR/MEASURE	RESULTS 2017/18	RESULTS 2018/19	MATERIAL VARIATIONS
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] x 100	26.47%	15.34%	In 2018/19 Council reviewed the 2017/18 and found the previously reported 6.19% was inaccurate. The figure has now been accurately calculated and adjusted as shown. In 2018/19 there was a substantial decrease in the amount of items discussed by Council within Ordinary or Special Meeting that is closed to the public. A total of 11 items were discussed in closed meetings of Council and all resolutions were made publicly available via the Ordinary Meeting Minutes of the corresponding meeting.
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	46.00	55.00	A 19% increase in community satisfaction index for community consultation and engagement in the last 12 months is noted for 2018/19.
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) x (Number of Councillors elected at the last Council general election)] x 100	94.29	92.86	A 1.5% decrease in Councillor attendance at council meetings in the last 12 months is noted for 2018/19.
Service Cost Cost of governance [Direct cost of the governance service / Number of Councillors elected at the last Council general election]	\$39,205.29	\$40,094.43	No material variations for 2018/19.
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]	45.00	55.00	A 22% increase in community satisfaction index for satisfaction for council decisions in the last 12 months is noted for 2018/19.

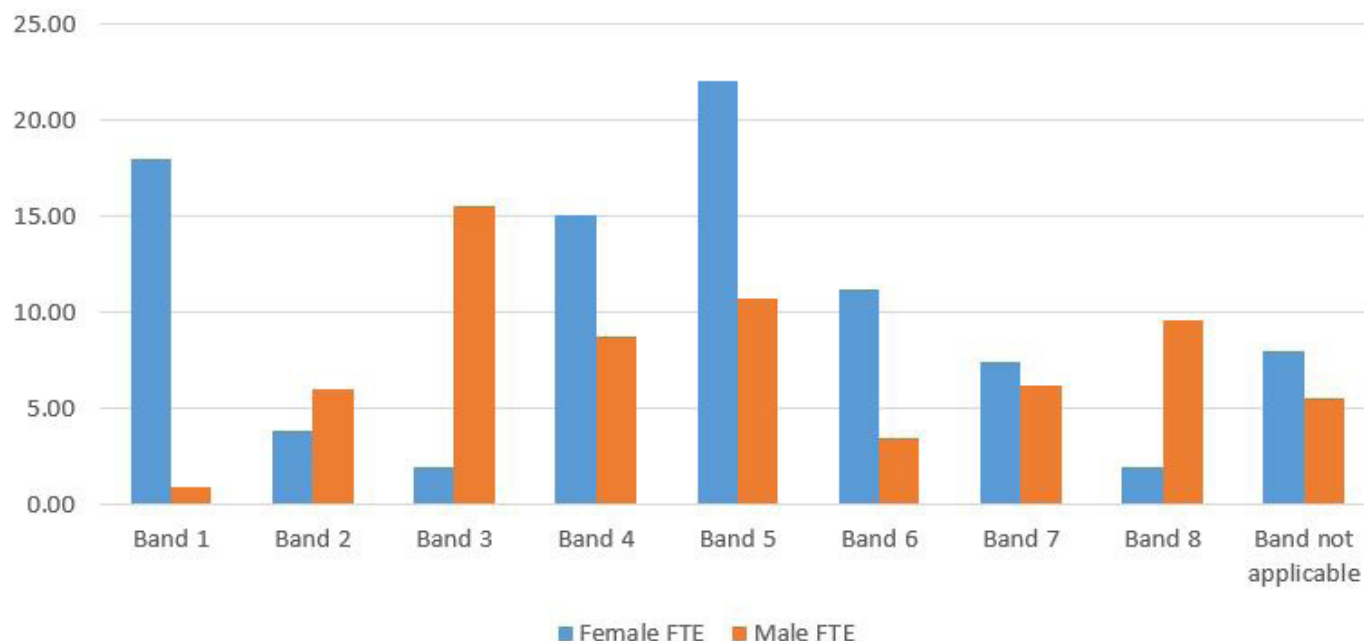
CORPORATE DEVELOPMENT OUR ORGANISATION

Workplace Development

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

Employment Classification	Female FTE	Male FTE	Total FTE
Band 1	17.99	0.93	18.91
Band 2	3.84	6.00	9.84
Band 3	1.99	15.58	17.58
Band 4	15.12	8.80	23.92
Band 5	22.06	10.79	32.85
Band 6	11.26	3.51	14.77
Band 7	7.48	6.25	13.73
Band 8	2.0	9.65	11.65
Band not applicable	8.02	5.51	13.54
Grand Total	89.76	67.03	156.80

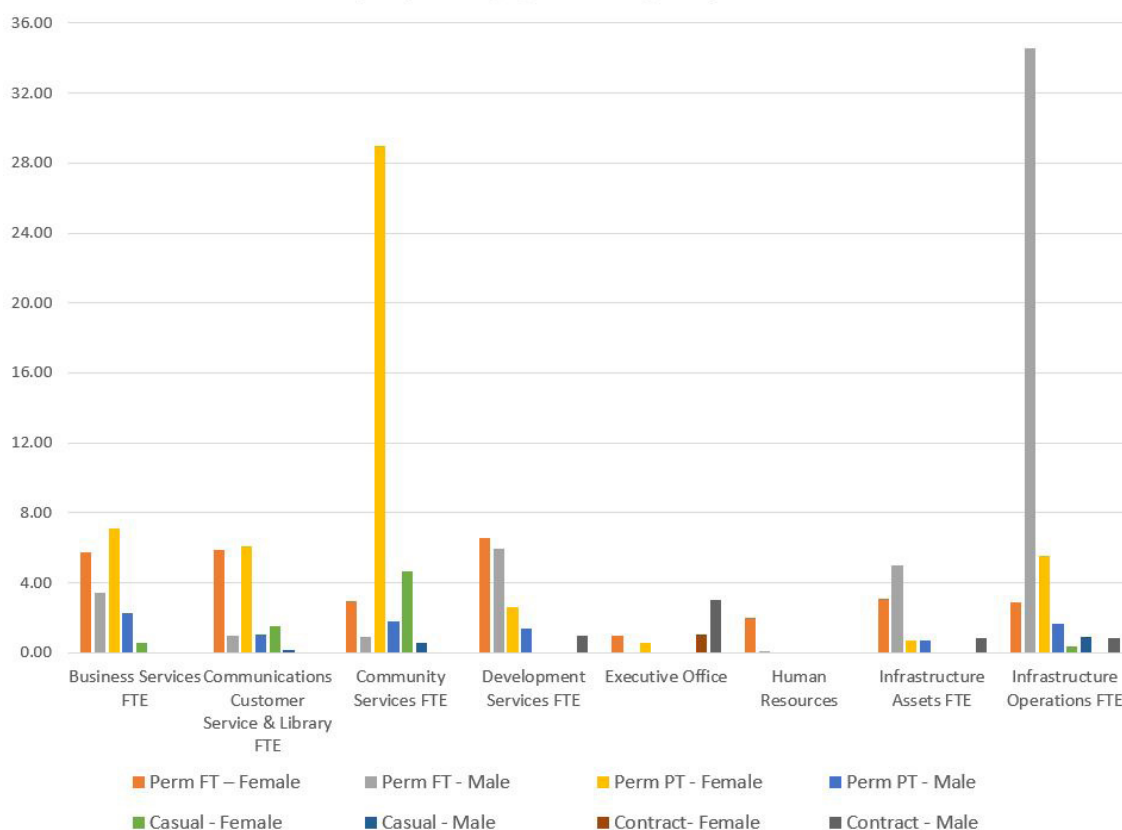
FTE Employees by classification and gender



A summary of the number of Full Time Equivalent (FTE) staff categorised by organisational structure, employment type and gender is set out below. Council undertook an organisational restructure during the 2018/19 year; in order to ensure that figures are accurate Council has reported on the original structure. The current structure will be reflected in the 2019/20 year.

Employment Type/Gender	Business Services FTE	Communications, Customer Service & Library FTE	Community Services FTE	Development Services FTE	Executive Office FTE	Human Resources FTE	Infrastructure Assets FTE	Infrastructure Operations FTE	Total FTE
Perm FT - Female	5.72	5.89	2.93	6.56	1.00	2.00	3.09	2.90	30.09
Perm FT - Male	3.45	1.00	0.89	5.92	0.00	0.09	5.02	34.58	50.94
Perm PT - Female	7.08	6.11	28.98	2.59	0.56	0.00	0.70	5.56	51.58
Perm PT - Male	2.23	1.02	1.77	1.40	0.00	0.00	0.71	1.65	8.78
Casual - Female	0.53	1.49	4.68	0.00	0.00	0.00	0.00	0.35	7.06
Casual - Male	0.00	0.17	0.53	0.00	0.00	0.00	0.00	0.93	1.62
Contract - Female	0.00	0.00	0.00	0.00	1.04	0.00	0.00	0.00	1.04
Contract - Male	0.00	0.00	0.00	1.00	3.00	0.00	0.84	0.84	5.68
TOTAL	19.01	15.68	39.78	17.47	5.6	2.09	10.36	46.81	156.80

Employees by gender by Department



Health and safety of our people

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

Health and Wellbeing

Council monitors and promotes good health and well-being as one of the foundations of a productive workplace. Council continues to provide an integrated Health and Wellbeing program. Employees are provided with a range of regular information, training and other programs to support and encourage them to take responsibility for good health and well-being from an organisational and personal perspective. Some actions this year included workshops on Healthy Minds, Health@Work monthly bulletins with nutritional recipes and other health information delivered in the staff newsletter. Training included Child Safety Standards, Individual Ergonomic Assessments, First Aid and CPR updates. Other activities included the influenza and Hepatitis B immunisation programs.

Council engaged Converge as its Employee Assistance Program provider to support staff and their significant others' well-being and good mental health.

Council is a participant in the Local Government Employee Health Plan Scheme which enables Council employees to join a private health fund at competitive rates.

Occupational Health and Safety

Council is committed to providing a safe and healthy work environment and ensuring the health, safety and wellbeing of all employees.

Council has an Occupational Health and Safety Committee made up of four designated workgroup representatives and four management representatives. The Committee works to ensure that all identified hazards and risks are acknowledged, communicated and resolved promptly. All managers and supervisors received refresher training in their legislated OHS responsibilities in the year under review.

Council continued its participation in a WorkCare self-insurance scheme through the Municipal Association of Victoria (MAV). As one of a number of councils in the scheme, our OHS Committee is leading a review and adoption of policies and procedures in line with national OHS standards.

Staff Satisfaction Survey

Council ran its Employee Satisfaction Survey in October 2017, with a very high level of participation. Employee engagement and satisfaction was improved on all indicators.

Council did not run a survey during the 2018/19 Financial Year.

Training and Development

Council continues 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 2018/19 we again achieved strong participation across a diverse training program to meet our training needs assessment. Over the year employees participated in 66 different programs representing 354 staff training days. The delivery of onsite training included:

- Assetic Specialised training
- Email Training
- Snake Awareness
- Traffic Management
- Planning/Building training
- Social media/Web writers training
- All staff Customer Focus Training at Narbethong
- OHS Refresher Managers and Supervisors
- Manual Handling
- First Aid/CPR
- Mental Health First Aid
- Induction to Local Government
- MCH Nurses legal obligations training
- Health and Wellbeing Workshops

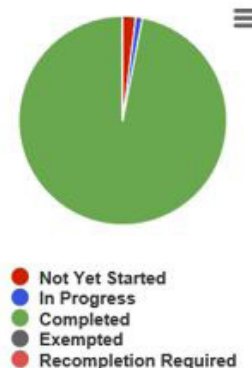
In addition, there were 1038 enrolments in 69 online learning courses with a 96% completion rate.

Number of Courses: 69

Total Enrolments: 1,038

Total Completions: 96%

Status	Enrolments	Percentage
Not Yet Started	25	2%
In Progress	12	1%
Completed	1,001	96%
Exempted	0	0%
Recompletion Required	0	0%



Awards/Recognitions

Activities to recognise employee excellence and effort included:

- Delivery of peer nominated annual awards by the Chief Executive Officer to recognise services delivered in line with organisational values.
- Years of service – 15 people were recognised for years of service.



Equal Employment Opportunity (EEO)

Murrindindi Shire Council is committed to the principles of equal opportunity and anti-discrimination in employment and in the delivery of its services to the community.

Council believes that its employees are entitled to be treated according to their abilities and merit, and to work in an environment which is free of discrimination and harassment.

Council appointed new Contact Officers to replace retired employees. All received Contact Officer training.

All new employees are inducted in EEO and related policies both online and in person through a discussion with the Human Resources Coordinator.

Staff Code of Conduct

The Murrindindi Shire Council Code of Conduct was updated in 2016-17 to guide conduct and behaviours enabling a shared understanding of how to work together to create an enjoyable, satisfying and productive workplace.

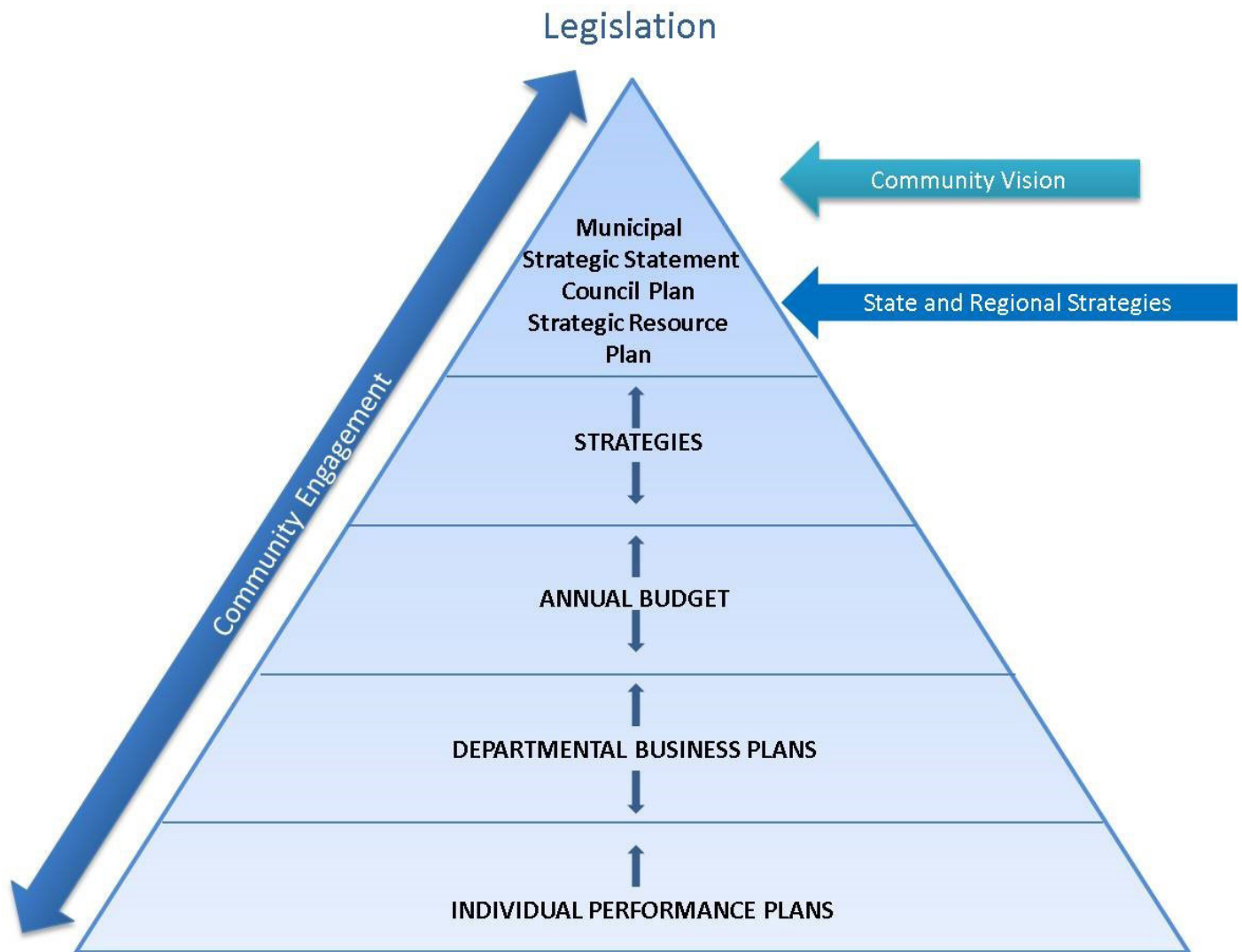
For the community our Code of Conduct establishes our commitment to carry out our duties and deliver our services responsively, impartially, professionally and with the highest level of integrity.

All new employees were made aware of their obligations under the Code of Conduct as part of their induction.

CORPORATE DEVELOPMENT OUR COUNCIL

Integrated Planning Framework

Murrindindi Shire Council has developed a corporate planning framework which identifies the relationship between the Council Plan, its various strategies and the individual departmental business plans and staff performance plans.



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.

The Council then measures and monitors its performance and reports both internally and to its community as required.

Council receives 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 elected and are democratically elected by their local communities. As such it is the 'grass roots' level of government.

Section 3D of the *Local Government Act 1989* states that the role of a council includes:

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

Council Electoral Structure

The Shire of Murrindindi 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 28 October 2016 and seven Councillors were elected for a four-year term. The Councillors were sworn in at a Special Meeting of Council held on 9 November 2016.

The Shire's Councillors are: Cr Sandice McAulay (Cathedral Ward), Cr Rebecca Bowles (Cheviot Ward), Cr Jackie Ashe (Eildon Ward), Cr Eric Lording (King Parrot Ward), Cr Leigh Dunscombe (Kinglake Ward), Cr Charlotte Bisset (Koriella Ward) and Cr Margaret Rae (Redgate Ward).

Each year the seven Councillors elect the Mayor and Deputy Mayor. At the Special Meeting on 31 October 2018, Cr Sandice McAulay was elected as Mayor and Cr Leigh Dunscombe was elected as Deputy Mayor for a period of 12 months.

Councillor Code of Conduct

All councils in Victoria are required by the Local Government Act 1989 (Section 76C) to develop and regularly review a Councillor Code of Conduct, including reviewing the Code of Conduct within a period of four months of a general election.

Within one month of amendments to a Councillor Code of Conduct being approved, all councillors must declare in writing that they will abide by the Councillor Code of Conduct. This declaration must be witnessed by the Chief Executive Officer.

The Councillor Code of Conduct was reviewed and adopted by Murrindindi Shire Councillors on 22 February 2017. A declaration to abide by the Councillor Code of Conduct was subsequently signed by each Councillor and witnessed by Council's Chief Executive Officer.

The Councillor Code of Conduct sets out the standards of behaviour and disclosure expected of Councillors, and identifies a process for resolving complaints.

The Councillor Code of Conduct is a declaration of how the councillors will behave and interact with each other, the community and in undertaking their decision making responsibilities. It details the standards of ethical conduct required of councillors, it outlines the legislated requirements to be adhered to and the dispute resolution procedure for dealing with conflict and breaches of the Code of Conduct.

Councillor Allowances

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 2018/19 allowance paid to the Mayor of Murrindindi Shire Council was \$66,956.21 including an amount equivalent to 9.5% superannuation and with the provision of a corporate standard vehicle. The allowance paid to Murrindindi Shire Councillors was \$22,411.68 including an amount equivalent to 9.5% superannuation for the 2018/19 financial year.

Councillor Expenses

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. Councillors also have access to a remote area travel allowance of \$40 per day for use in certain circumstances, up to a maximum of \$5,000 per annum.

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

Information & Communication expenses – includes capital costs, monthly fees and usage costs associated with councillor mobile phones and information technology equipment or software. Councillors reimburse Council for any personal usage. All councillors are provided with a laptop computer, tablet and mobile phone to assist them in fulfilling their duties as councillor.

Conference & 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 badges, business cards and other incidental expenditure related to councillors performing their councillor role.

Car expenses – the Mayor is provided with a Council Fleet vehicle. This vehicle can be made available for use by all Councillors if required.

Councillor	Allowances	Travel Expenses	Mileage	Childcare Expenses	Information & Communications Expenses	Conference & Training Expenses	Councillor Specific Other Expenses	Total \$
Cr Ashe	22,411.68	0.00	0.00	0.00	2,336.57	2,459.92	578.33	27,786.50
Cr Bisset	37,088.68	159.20	2,606.10	0.00	2,486.54	3,175.02	654.09	46,169.63
Cr Bowles	22,563.56	0.00	0.00	0.00	2,339.19	2,186.31	578.33	27,667.39
Cr Dunscombe	22,411.68	274.75	8,146.11	0.00	2,402.84	2,730.28	717.55	36,683.21
Cr Lording	22,411.68	120.00	4,893.74	0.00	2,511.83	1,841.76	628.33	32,407.34
Cr McAulay	52,279.21	268.73	3,530.60	0.00	2,333.07	12,780.38	1,035.10	72,227.09
Cr Rae	22,411.68	0.00	0.00	0.00	2,639.44	1,769.01	691.48	27,511.61

Council Meetings

Council decisions are made by resolution of Council either at Ordinary Council Meetings or at Special Council Meetings.

Ordinary Meetings of Council are held on the fourth Wednesday of the month.

Council meetings alternate between the Alexandra and Yea Council Chambers. 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.

Councillors generally also meet on the first three Wednesdays of each month 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.

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.

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

Additional Special Meetings of Council may be called to consider specific issues. As well as the formal notice, we make every effort to publicise these meetings through local media, via social media and on Council's website. Council meetings are conducted in accordance with the procedures as detailed in Murrindindi Shire Council's Governance Local Law 2, 2014.

A meeting is held annually to elect the mayor and deputy mayor. This meeting was held on 31 October 2018.

	Ordinary Council Meetings		Special Council Meetings	
	Eligible to Attend	Attended	Eligible to Attend	Attended
Cr S McAulay, Mayor	12	12	2	2
Cr L Dunscombe	12	11	2	2
Cr J Ashe	12	9	2	2
Cr C Bisset	12	10	2	2
Cr R Bowles	12	12	2	2
Cr E Lording	12	12	2	1
Cr M Rae	12	12	2	2

Special Committees of Council

In accordance with the *Local Government Act 1989*, Council may establish Special Committees with delegated powers to inform and act on behalf of Council. Murrindindi Shire Council has 11 Section 86 Committees of Management.

Portfolios

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

At its 31 October 2018 Special Meeting, Council resolved to suspend the use of the portfolio roles for a 12-month period. At its 27 March 2019 Ordinary Meeting, Council resolved to adopt a revised Portfolio Councillor Policy and to resume establishment Councillor appointments, as follows:

Portfolio	Councillor
Land Use Planning	Cr Margaret Rae
Aged and Disability	Cr Margaret Rae
Communications, Tourism and Events	Cr Jackie Ashe
Financial Services and Grants	Cr Leigh Dunscombe
Youth, Recreation and Community Planning	Cr Charlotte Bisset
Waste and Environment	Cr Eric Lording and Cr Rebecca Bowles
Infrastructure	Cr Eric Lording
Information Technology	Cr Rebecca Bowles

Local Laws

Council's Local Laws are:

- *Governance Local Law 2, 2014*
- *Community Local Law 2012*

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

Policy and Strategy Reviews

Council Policies

Council reviewed or adopted the following Council Policies in 2018/19:

Service Provision and Fire Danger Ratings – 28 November 2018

This Policy outlines changes to Council's service provision to the community on days predicted to pose the highest fire danger risks to the public.

Portfolio Councillor – 27 March 2019

The purpose of the Policy is to articulate the role and support to be provided to Portfolio Councillors.

Borrowings – 26 June 2019

The purpose of the Policy is to establish objectives and principles that outline when it is appropriate for Council to undertake borrowings within a sound financial management framework consistent with Section 136 of the Local Government Act 1989. It also sets out the manner by which Council may establish and manage a debt portfolio and ensure Council's borrowings comply with legislative requirements.

Customer Service – 26 June 2019

The Policy establishes a shared set of standards that help staff deliver on Council's commitment to great customer service.

Grants and Contributions – 26 June 2019

The purpose of this Policy is to enable the delivery of Council's grants and contributions program.

Procurement – 26 June 2019

The purpose of the Policy is to outline Council's procurement principles, provide guidance on expected ethical behaviour in procurement processes, demonstrate how Council supports the local economy through its procurement practices, ensure consistency and control over procurement activities and demonstrate to rate payers how value for money is achieved.

Strategies and Plans

During 2018/19 Council adopted the following strategies and community plans:

- Priority Action Plan 2018/19 – 25 July 2018
- Recreation and Open Space Strategy 2018-2028 – 24 April 2019
- 2019/20 Annual Budget and Strategic Resource Plan – 26 June 2019

Auditing

Audit Advisory Committee

The Audit and Risk Advisory Committee is an independent advisory committee to Council. The primary objectives of this Audit and Risk Advisory Committee are to:

- assist Council in the effective conduct of its responsibilities for internal and external financial reporting
- manage risk
- maintain a reliable system of internal controls
- facilitate the organisation's ethical development
- act as an effective conduit for communications between the external auditor, internal auditor, management and Council.

For the 2018/19 financial year, the Audit and Risk Advisory Committee comprised the following members:

- Michele Sheward (Chair)
- Claude Baxter
- Ian McKaskill
- Cr Sandice McAulay (voting member until 31 October 2019, non-voting member (Mayor) from 31 October onwards)
- Cr Leigh Dunscombe
- Cr Margaret Rae (member from 31 October 2018)
- Cr Charlotte Bisset (Non-voting member (Mayor) until 31 October 2018)

The Chief Executive Officer and a representative of the internal auditor are also required to attend Audit and Risk Advisory Committee meetings in a non-voting capacity. A representative of the external auditor is also required to attend when 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 2018/19 financial year, providing valuable 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 Crowe Horwath for a term of four years that ended on 19 December 2018. After this date, the internal audit function was contracted to HLB Mann Judd for a four year term.

During 2018/19 Council's Internal Auditors conducted the following components of the audit program:

- Review of Contract Management – presented September 2018
- Review of Kerbside Waste Management – presented December 2018
- Review of Risk Management – presented May 2019

External Audits

The Victorian Auditor General's Office (VAGO) are responsible for the appointment of Council's External Auditors. For 2018/19 RSD Audit performed Council's external audit.

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 \$28.90 (as of 1 July 2018) must be paid. Information regarding Council's Freedom of Information (FOI) application process can be found on Council's website and is available from any Council office. Community members are encouraged to contact Council's FOI Officer before lodging an application to receive advice regarding what information is and is not 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

Freedom of Information	2018/19
Access granted in full	2
Access granted in part	8
Access denied in full	3
Withdrawn	1
Not proceeded with	4
Act does not apply	0
Not processed	0
No documents	2
Outside the Act	4
Not yet finalised	1

The *Protected Disclosure Act 2012* reformed approaches to integrity in Victoria, including the establishment of the Independent Broad-based Anti-corruption Commission (IBAC), a body established to promote integrity and accountability across the Victorian public sector, including local government.

Whistleblowers expose serious problems within the management and operations of a government organisation. The *Protected Disclosure Act 2012* enables people to make disclosures about improper conduct within the public sector without fear of reprisal. The Act aims to ensure openness and accountability by encouraging people to make disclosures and protecting them when they do.

Protected Disclosures

The Protected Disclosure Act 2012 reformed approaches to integrity in Victoria, including the establishment of the Independent Broad-based Anti-corruption Commission (IBAC), a body established to promote integrity and accountability across the Victorian public sector, including local government.

Whistleblowers expose serious problems within the management and operations of a government organisation. The Protected Disclosure Act 2012 enables people to make disclosures about improper conduct within the public sector without fear of reprisal. The Protected Disclosure Act 2012 aims to ensure openness and accountability by encouraging people to make disclosures and protecting them when they do.

Murrindindi Shire Council is committed to the aims and objectives of the Protected Disclosure 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.

Contact details for Council's Protected Disclosure Coordinator/Officer are:

- Protected Disclosure Coordinator: Director Corporate and Shared Services, Murrindindi Shire Council, PO Box 138 Alexandra 3714 or phone 5772 0333
- Protected Disclosure Officer: Coordinator Human Resources, Murrindindi Shire Council, PO Box 138 Alexandra 3714 or phone 5772 0333.

Alternative Contacts

- Independent Broad-Based Anti-Corruption Commission (IBAC), Address: IBAC, GPO Box 24234, Melbourne Victoria 3000, website: www.ibac.vic.gov.au, Phone: 1300 735 135

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

Disclosures

Protected Disclosures Topic	Report 2018/19
Number of disclosures made	Nil
Disclosures referred to Ombudsman for determination	Nil
Disclosures referred to 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

Documents and registers are available for inspection in accordance with the Local Government Act 1989 and Local Government (General) Regulations 2015 are:

- the certified voters' roll for a Council election - for the period beginning on the certification date and ending 30 days after election day
- copies of campaign donation returns lodged by candidates in the last council elections
- Council's adopted Code of Conduct 2017
- all Local Laws adopted by Council
- copies of Council's Council Plan, Strategic Resource Plan, Budget and Annual Report
- details regarding differential rates declared by Council as part of Council's Annual Budget
- Rating Strategy
- Special Rate
- Quality and Cost Standards
- details of overseas or interstate travel (with the exception of interstate travel by land for less than three 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 Reimbursement Policy
- agendas for council meetings - except parts of meetings closed to the public under Section 89 of the Local Government Act 1989
- minutes of council meetings - except parts of the meetings closed to the public under Section 89 of the Local Government Act 1989
- a list of all special committees established by Council which were abolished or ceased to function during the financial year
- minutes of meetings of special committees established under Section 86 of the Local Government Act 1989 and held in the previous 12 months except if the minutes relate to parts of meetings which have been closed to members of the public under Section 89 of the Local Government Act 1989
- a register of delegations kept under Sections 87(1) and 98(4) of the Local Government Act 1989, including the date on which the last review took place under Sections 86(6) and 98(6), respectively, of the Local Government Act 1989
- a document containing details of all leases involving land which were entered into by Council as lessor, including the lessee and the terms and the value of the lease
- a register of authorised officers appointed under Section 224 of the Local Government Act 1989
- a list of donations and grants made by the council during the financial year
- Council's current Procurement Policy.

Register of Interests

The Chief Executive Officer must maintain a register of the interests of councillors, members of special committees and nominated officers consisting of the last three returns that those councillors, members and Council officers were required to submit in accordance with Section 81 of the Local Government Act 1989. The register may be inspected at the office of the Council during normal office hours. An application to inspect the register is required in writing to the Chief Executive Officer using Council's prescribed form, available at www.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)	Current policy adopted: 24 September 2012
2. Community engagement guidelines (guidelines to assist staff to determine when and how to engage with the community)	Current guidelines adopted: 24 September 2012
3. Strategic Resource Plan (plan under section 126 of the Act outlining the financial and non-financial resources required for at least the next 4 financial years)	Adopted in accordance with s126 of the Act: 26 June 2019
4. Annual budget (plan under section 130 of the Act setting out the services to be provided and initiatives to be undertaken over the next 12 months and the funding and other resources required)	Adopted in accordance with s130 of the Act: 26 June 2019
5. Asset management plans (plans that set out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)	Council maintains a large number of different asset management plans broken down into the following categories - Roads, Paths, Kerb & Channel, Bridges, Urban Drainage, Community Buildings, Plant & Equipment, and Corporate Buildings.
6. Rating Strategy (strategy setting out the rating structure of Council to levy rates and charges)	Current strategy adopted: 25 March 2015 Currently awaiting outcomes of the State Government Review of Local Government Rating systems.
7. Risk Policy (policy outlining Council's commitment and approach to minimising the risks to Council's operations)	Enterprise Risk Management Policy adopted: 25 October 2017 Occupational Health and Safety Policy adopted: 19 July 2018
8. Fraud Policy (policy outlining Council's commitment and approach to minimising the risk of fraud)	Current policy adopted: 24 September 2014
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: 27 September 2017
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 s186A of the Act: 26 June 2019

Governance and Management Items	Assessment
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
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
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 Committee (advisory committee of Council under section 139 of the Act whose role is to oversee the integrity of a Council's financial reporting, processes to manage risks to the Council's operations and for compliance with applicable legal, ethical, and regulatory requirements)	Committee enacted in accordance with s139 of the Act that meets quarterly to review Council's financial, risk and corporate affairs.
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 reporting (report reviewing the performance of the Council against the Council Plan, including the results in relation to the strategic indicators, for the first six months of the financial year)	Council reports its performance against the Council Plan on a quarterly basis at October, February and April meetings.
18. Financial reporting (quarterly statements to Council under section 138 of the Act 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 & 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 Act)	Council reports its performance against key indicators of both financial and non-financial performance on a quarterly basis at the October, February, April and August meetings.
21. Annual Report (annual report under sections 131, 132 and 133 of the Act to the community containing a report of operations and audited financial performance statements)	Annual Report 2017/18 adopted in accordance with the Act: 28 November 2018
22. Councillor Code of Conduct (Code under section 76C of the Act setting out the conduct principles and the dispute resolution processes to be followed by Councillors)	Current Code adopted: 22 February 2017



Governance and Management Items	Assessment
23. Delegations (a document setting out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff)	Reviewed in accordance with s98(6) of the Act: 24 May 2019
24. Meeting procedures (a local law governing the conduct of meetings of Council and special committees)	Current Local Law adopted: 25 June 2014

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

Craig Lloyd
Chief Executive Officer
Dated: 26 September 2019

Sandice McAulay
Mayor
Dated: 26 September 2019



Donations and Grants by Council 2018/19

Received By	Amount \$
Alexandra & District Kindergarten	2,250
Alexandra Newspapers Pty Ltd	220.82
Alexandra Amateur Swimming & Lifesaving Club	3,000
Alexandra Events Corporation	3,500
Alexandra Football Netball Club	2,700
Alexandra Visitor Information Centre	1,846
Alexandra Primary School	4,800
Alexandra & District Traders & Tourism Association	400
Bakery Deluxe Dog Treats	2,000
Dogs Victoria	363
Eildon Community Leisure Centre	1,000
Eildon Information Centre	1,516
Eildon and District Kindergarten	4,700
Eildon Resource Centre	500
Fawcett Mechanics Institute Reserve CoM	1,750
Flowerdale Community House	5,000
Flowerdale Primary School	5,200
Flowerdale Sports Club	500
Glenburn Hall & Progress Association	400
Glencoe Group Pty Ltd	40,000
Grant Street Grocer	5,800

Received By	Amount \$
Grincreative Camp Toolangi	1,860
Highlands Community Hall Committee Inc	1,761
Kinglake Ranges Mens Shed	1,500
Kinglake Ranges Neighbourhood House	575
Kinglake Senior Citizens	2,980
Lions Club of Eildon	500
Lions Club of Marysville	1,300
Marysville Triangle Business & Tourism Association	5,425
Mega Mulch	15,000
Mothers Day Classic Foundation	2,000
Murrindindi Beanie Festival Victoria	50
Outdoor Education Group	25,000
Rotary Club of Alexandra	2,125
Rotary Club of Eildon	450
Rotary Club of Kinglake Ranges	2,000
Rotary Club of Yea	2,575
Sedona Estate Pty Ltd	1,818
Strath Creek Reserves & Hall CoM	450
Y Water Centre Association Inc	12,976
Yarck Public Hall CoM	3,900
Yea Water Tigers Amateur Swimming Club Inc	4,218
TOTAL	175,908.82

Organisation Memberships for 2018/19

Received By	Membership Fee \$
Local Government Professionals	1,219
Australian Local Government Job Directory	950
Municipal Association Of Victoria	26,828
Family Day Care Australia	135
Public Library Victoria Network Inc	1,205
Institute of Public Works	1,250
National Saleyards Association	572
Children's Book Council	85
Victorian Local Governance Association	4,753
Goulburn Valley Regional Waste Management Group	8,707
Australian Local Government Womens Association	272
Rural Councils Victoria	3,000
Goulburn Broken Greenhouse Alliance	5,600
TOTAL	54,576

Contracts

During the 2018/19 year Council did not enter into any contracts valued at \$150,000 or more for goods and services or \$200,000 or more for works of a kind specified in section 186(5)9a) and (c) of the Local Government Act 1989.

In 2018/19 Council entered into one contract with the value of \$100,000 or more without engaging in a competitive process:

Date	Value	Contract details	Reason for not entering in a competitive process
12/05/2019	\$150,000	Debt Recovery - Municipal Association Victoria Panel	The MAV Panel offers Council supplier options for debt recovery services in the short term until Council is able to undertake a market test.

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, 1989', '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 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 2019. 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 for 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.

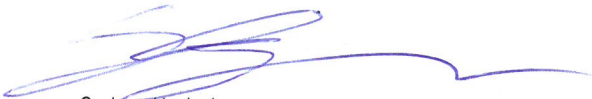
Murrindindi Shire Council
Annual Financial Report
For the Year Ended
30-June-2019

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 and amortisation	20
4.4 Bad and doubtful debts	21
4.5 Borrowing cost	21
4.6 Net loss on disposal of property, infrastructure, plant and equipment	21
4.7 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
Note 6 Assets we manage	
6.1 Non-Current assets classified as held for sale	29
6.2 Property, infrastructure, plant and equipment	29
6.3 Investment in associates, joint arrangements and subsidiaries	35
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	38
8.2 Change in accounting standards	38
8.3 Financial Instruments	39
8.4 Fair value measurement	41
8.5 Events occurring after balance date	41
Note 9 Other Matters	
9.1 Reserves	42
9.2 Reconciliation of cash flows from operating activities to surplus	44
9.3 Superannuation	45

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
Principal Accounting Officer

Date : 25/9/19
Yea

In our opinion the accompanying financial statements present fairly the financial transactions of Murrindindi Shire Council for the year ended 30 June 2019 and the financial position of the Council as at that date.

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

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



Sandice McAulay
Mayor

Date : 25 SEP 2019.
Yea



Leigh Dunscombe
Councillor

Date : 25/9/2019.
Yea



Craig Lloyd
Chief Executive Officer

Date : 25/9/19
Yea

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 2019 • comprehensive income statement for the year then ended • statement of changes in equity for the year then ended • statement of cash flows for the year then ended • statement of capital works for the year then ended • notes to the financial statements, including significant accounting policies • certification of the financial statements. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2019 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 6 of the <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 2019



Jonathan Kyvelidis
as delegate for the Auditor-General of Victoria

Comprehensive Income Statement For the Year Ended 30 June 2019

	Note	2019 \$	2018 \$
Income			
Rates and charges	3.1	20,542,270	19,797,539
Statutory fees and fines	3.2	1,048,130	931,502
User fees	3.3	2,756,813	2,311,476
Grants -operating	3.4	9,079,497	7,489,788
Grants - capital	3.4	2,900,137	2,292,557
Contributions - monetary	3.5	534,328	612,772
Contributions - non monetary	3.5	1,649,478	297,180
Other income	3.6	1,790,156	1,579,637
Total income		<u>40,300,809</u>	<u>35,312,451</u>
Expenses			
Employee costs	4.1	14,586,990	13,751,412
Materials and services	4.2	11,188,600	9,436,537
Depreciation and amortisation	4.3	9,651,368	8,861,522
Bad and doubtful debts	4.4	76,316	21,193
Borrowing costs	4.5	54,587	78,515
Net loss on disposal of property, infrastructure, plant and equipment	4.6	855,328	255,167
Other expenses	4.7	360,090	296,106
Increase/(decrease) in provision for landfill Liability	5.5	(652,685)	-
Total expenses		<u>36,120,594</u>	<u>32,700,452</u>
Surplus for the financial year		<u>4,180,215</u>	<u>2,611,999</u>
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation increment (decrement)	6.2	8,375,702	36,222,193
Comprehensive result		<u>12,555,917</u>	<u>38,834,192</u>

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

Balance Sheet As at 30 June 2019

	Note	2019 \$	2018 \$
Assets			
Current assets			
Cash and cash equivalents	5.1(a)	2,700,682	7,358,780
Other financial assets	5.1(b)	34,119,500	24,319,500
Trade and other receivables	5.1(c)	4,806,835	4,702,549
Inventories		33,306	31,742
Other assets	5.2	423,882	363,211
Non-Current assets classified as held for sale	6.1	-	217,047
Total current assets		42,084,205	36,992,829
Non-current assets			
Trade and other receivables	5.1(c)	4,977	15,996
Intangible assets	5.2	2,880,341	3,595,970
Property, infrastructure, plant and equipment	6.2	348,175,921	341,562,854
Total non-current assets		351,061,239	345,174,820
Total assets		393,145,444	382,167,649
Liabilities			
Current liabilities			
Trade and other payables	5.3(a)	2,351,003	3,041,244
Trust funds and deposits	5.3(b)	1,214,868	1,128,612
Interest-bearing liabilities	5.4	188,469	319,840
Provisions	5.5(a)	3,375,984	3,362,572
Total current liabilities		7,130,324	7,852,268
Non-current liabilities			
Interest-bearing liabilities	5.4	478,557	667,026
Provisions	5.5(a)	5,495,325	6,163,034
Total non-current liabilities		5,973,882	6,830,060
Total liabilities		13,104,206	14,682,328
Net Assets		380,041,238	367,485,321
Equity			
Accumulated surplus		133,160,468	131,242,479
Reserves	9.1	246,880,770	236,242,842
Total Equity		380,041,238	367,485,321

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

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

	Note	Total \$	Accumulated Surplus \$	Asset Revaluation Reserve \$	Other Reserves \$
2019					
Balance at beginning of the financial year		367,485,321	131,242,479	219,166,553	17,076,289
Surplus for the year		4,180,215	4,180,215	-	-
Net asset revaluation increment	9.1	8,375,702	-	8,375,702	-
Transfers to other reserves	9.1	-	(4,608,117)	-	4,608,117
Transfers from other reserves	9.1	-	2,345,891	-	(2,345,891)
Balance at end of the financial year		380,041,238	133,160,468	227,542,255	19,338,515

		Total \$	Accumulated Surplus \$	Asset Revaluation Reserve \$	Other Reserves \$
2018					
Balance at beginning of the financial year		328,651,129	130,012,077	182,944,360	15,694,692
Surplus for the year		2,611,999	2,611,999	-	-
Net asset revaluation increment	9.1	36,222,193	-	36,222,193	-
Transfers to other reserves	9.1	-	(2,414,635)	-	2,414,635
Transfers from other reserves	9.1	-	1,033,038	-	(1,033,038)
Balance at end of the financial year		367,485,321	131,242,479	219,166,553	17,076,289

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

Statement of Cash Flows For the Year Ended 30 June 2019

	Note	2019 Inflows/ (Outflows) \$	2018 Inflows/ (Outflows) \$
Cash flows from operating activities			
Rates and charges		21,222,418	18,572,026
Statutory fees and fines		1,047,932	931,304
User fees		2,745,292	2,348,323
Grants - operating		8,512,171	7,046,456
Grants - capital		2,941,137	2,319,464
Contributions - monetary		558,606	615,032
Interest received		926,319	905,767
Other Income		867,750	735,331
Net Fire Services Property Levy received (remitted)		(16,994)	18,371
Net GST refund		1,159,085	1,143,112
Net receipt of trust funds and deposits		103,250	115,173
Materials and services		(13,564,522)	(9,930,457)
Employee Cost		(14,632,079)	(13,455,992)
Other payments		(360,090)	(296,106)
Net cash provided by operating activities	9.2	11,510,275	11,067,804
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment		(6,159,860)	(7,001,862)
Payments for intangible assets		(75,705)	(188,847)
Proceeds from sale of property, infrastructure, plant and equipment		245,454	249,785
Payments for Investments		(9,800,000)	(900,000)
Net cash used in investing activities		(15,790,111)	(7,840,924)
Cash flows from financing activities			
Finance costs		(58,422)	(83,111)
Repayment of interest bearing loans and borrowings		(319,840)	(367,646)
Net cash used in financing activities		(378,262)	(450,757)
Net increase (decrease) in cash and cash equivalents		(4,658,098)	2,776,123
Cash and cash equivalents at the beginning of the financial year		7,358,780	4,582,657
Cash and cash equivalents at the end of the financial year	5.1(a)	2,700,682	7,358,780

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

Financial assets	5.1
Financing arrangements	5.6

	Note	2019	2018
Property			
Land		-	-
Buildings		2,054,571	1,845,606
Total property		<u>2,054,571</u>	<u>1,845,606</u>
Plant and equipment			
Heritage plant and equipment		2,385	-
Plant, machinery and equipment		688,330	1,354,170
Fixtures, fittings and furniture		50,871	95,254
Software		75,705	188,847
Library books		103,261	103,346
Total plant and equipment		<u>920,552</u>	<u>1,741,617</u>
Infrastructure			
Roads		2,698,076	2,968,519
Bridges		402,203	872,849
Footpaths and cycleways		195,568	227,350
Drainage		136,394	107,619
Total infrastructure		<u>3,432,241</u>	<u>4,176,337</u>
Total capital works expenditure		<u>6,407,364</u>	<u>7,763,560</u>
Represented by:			
New asset expenditure		908,959	286,778
Asset renewal expenditure		3,837,034	4,418,953
Asset expansion expenditure		14,830	876,348
Asset upgrade expenditure		1,646,541	2,181,481
Total capital works expenditure		<u>6,407,364</u>	<u>7,763,560</u>

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

Notes to Financial Report
For the Year Ended 30 June 2019

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 futures 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 6.2)
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 6.2)
- the determination of landfill provisions (refer to Note 5.5)
- the determination of employee provisions (refer to Note 5.5)

Unless otherwise stated, all accounting policies are consistent with those applied in the prior year. Where appropriate, comparative figures have been amended to accord with current presentation, and disclosure has been made of any material changes to comparatives.

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 2019

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 27th June 2018. The Budget was based on assumptions that were relevant at the time of adoption of the Budget. Council sets guidelines and parameters for revenue and expense targets in this budget in order to meet Council's planning and financial performance targets for both the short and long-term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

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

1.1 Income and expenditure

	Budget 2019 \$	Actual 2019 \$	Variance 2019 \$	Ref
Income				
Rates and charges	20,526,000	20,542,270	16,270	
Statutory fees and fines	889,000	1,048,130	159,130	1
User fees	2,345,000	2,756,813	411,813	2
Grants - operating	7,347,000	9,079,497	1,732,497	3
Grants - capital	1,415,000	2,900,137	1,485,137	4
Contributions - monetary	141,000	534,328	393,328	5
Contributions - non monetary	400,000	1,649,478	1,249,478	6
Other income	1,563,000	1,790,156	227,156	7
Total income	34,626,000	40,300,809	5,674,809	
Expenses				
Employee costs	14,800,000	14,586,990	213,010	
Materials and services	9,798,000	11,188,600	(1,390,600)	8
Bad and doubtful debts	-	76,316	(76,316)	9
Depreciation and amortisation	9,603,000	9,651,368	(48,368)	
Borrowing costs	55,000	54,587	413	
Net loss on disposal of property, infrastructure, plant and equipment	55,000	855,328	(800,328)	10
Other expenses	313,000	360,090	(47,090)	
Increase/(decrease) in provision for landfill Liability		(652,685)	652,685	11
Total expenses	34,624,000	36,120,594	(1,496,594)	
Surplus/(deficit) for the year	2,000	4,180,215	4,178,215	

Notes to Financial Report For the Year Ended 30 June 2019

Note 1 Performance against budget (cont.)

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Statutory fees and fines	Building permit fees (\$40,192), lodgement fees (\$32,285), plan checking & supervision fees (\$29,883), drainage fees (\$13,534), planning fees (\$29,502) and dog & cat registrations (\$16,055) exceeded original budget estimates.
2	User Fees	Income from Saleyards (155,586), landfill and transfer stations (\$332,044) exceeded original budget estimates. This is offset by lower than budgeted fees received for Aged & Disability services (\$71,973)
3	Grants - operating	Increased funding for Family Day Care (\$369,699) and Maternal & Child Health Services (\$47,667). The following grants were received but not budgeted: Rubicon Village Waste Water (\$225,000), Releasing the Floating City (\$200,000), Bushfires Commemoration (\$329,085), Spring Valley Recreation Reserve Change Rooms (\$149,328), Moving Murrindindi Community Cars (\$77,332), Flood (2017 National Disaster Funding) (\$256,460), U T Creek Restoration Works (\$40,000), Walk to School program (\$15,000)
4	Grants - capital	The following grants were received, but not budgeted: Fixing Country Roads (\$1,172,732), Yea Recreation Resource Female Change Room (\$140,400), Kinglake Ranges Neighbourhood House (\$18,125), Marysville Tourism & Arts Centre (\$25,306), Bushfire Memorials (\$62,858), E-Waste Upgrades (\$59,700).
5	Contributions - monetary	Unbudgeted contributions were received for the following projects: Releasing the Floating City (\$175,000), Community Planning Initiative (\$200,000), Bushfire Memorials (\$30,028).
6	Contributions - non monetary	Council receives contributions in the form of infrastructure as a result of subdivisions and developer contributions. The timing and amount of such contributions is largely outside Councils control. Details of contributions are shown at note 3.5
7	Other income	Other income exceeded budget as a result of interest on investments due to increased level of cash (timing of capital works and receipt of grants) (\$153,942), interest on outstanding rates (\$42,697) and various reimbursements (\$51,850).
8	Material and services	The 2018/19 budget figure does not include carried forward expenditure from 2017/18 (relating to unspent grants and projects). Carry forward adjustments were reported in Council's September Quarterly Financial Report at the 24 October 2018 Council Meeting. The carry forward amount relevant to materials and services adjustment equaled \$1,461,288.
9	Bad and doubtful debts	Council does not budget for bad and doubtful debts.
10	Net loss on disposal of property, infrastructure, plant and equipment	Several major plant, fleet and machinery purchases/replacements originally budgeted were not procured in 2018/19. As a result, the proceeds from the sale of assets is below the budget estimate. This line also includes the end of financial year adjustments to the carrying value of assets disposed.
11	Increase/(decrease) in provision for landfill Liability	Landfill provision has decreased following the annual review of provision accounts.

Notes to Financial Report For the Year Ended 30 June 2019

Note 1 Performance against budget (cont)

1.2 Capital works

	Budget 2019 \$	Actual 2019 \$	Variance 2019 \$	Ref
Property				
Buildings	2,043,949	2,054,571	10,622	
Total Property	<u>2,043,949</u>	<u>2,054,571</u>	<u>10,622</u>	
Plant and Equipment				
Heritage plant and equipment	-	2,385	2,385	
Plant, machinery and equipment	1,367,317	688,330	(678,987)	1
Fixtures, fittings and furniture	29,000	50,871	21,871	2
Computers and telecommunications	185,000	75,705	(109,295)	3
Library books	99,850	103,261	3,411	
Total Plant and Equipment	<u>1,681,167</u>	<u>920,552</u>	<u>(760,615)</u>	
Infrastructure				
Roads	3,140,624	2,698,076	(442,548)	4
Bridges	590,000	402,203	(187,798)	5
Footpaths and cycleways	190,260	195,568	5,308	
Drainage	174,000	136,394	(37,606)	6
Total Infrastructure	<u>4,094,884</u>	<u>3,432,241</u>	<u>(662,643)</u>	
Total Capital Works Expenditure	<u>7,820,000</u>	<u>6,407,364</u>	<u>(1,412,636)</u>	
Represented by:				
New asset expenditure	-	908,959	908,959	
Asset renewal expenditure	5,061,000	3,837,034	(1,223,966)	
Asset expansion expenditure	955,000	14,830	(940,170)	
Asset upgrade expenditure	1,804,000	1,646,541	(157,459)	
Total Capital Works Expenditure	<u>7,820,000</u>	<u>6,407,364</u>	<u>(1,412,636)</u>	

**Notes to Financial Report
For the Year Ended 30 June 2019**

Note 1 Performance against budget (cont.)

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Plant, machinery and equipment	Several major plant and machinery purchases originally budgeted were not procured in 2018/19.
2	Fixtures, fittings and furniture	Actuals include IT equipment purchases which were originally budget under Computers and telecommunications (\$39,794). Full budgeted for the replacement of pool equipment was not required this financial year.
3	Computers and telecommunications	Office Software upgrade project was delayed. Development of an IT Strategy is to occur in 2019/20.
4	Roads	Pendlebury and Snodgrass Street special charge schemes also did not proceed (\$162,300). Budgets will be carried forward
5	Bridges	Bridge works have commenced. Projects will continue in 2019/20. Unspent budgets will be carried forward.
6	Drainage	Drainage projects including William Street to UT Creek - staged works have commenced. Works will continue in 2019/20.

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 Murrindindi 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, children and family, library, community, emergency, recreational youth and aquatic 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, waste, building, development, environmental health, infrastructure , parks and gardens 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, financial and corporate services , human resources, information technology, asset planning and customer service.

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

	Income	Expenses	Surplus/(Deficit)	Grants included in income	Total assets
	\$	\$	\$	\$	\$
2019					
Our People	5,908,090	9,090,744	(3,182,654)	4,071,707	41,555,039
Our Place	11,492,506	9,789,138	1,703,368	4,631,089	272,780,743
Our Prosperity	1,207,174	1,255,532	(48,358)	279,520	5,739,209
Our Promise	1,301,229	6,923,590	(5,622,361)	-	31,648,681
General Rates	17,389,236	-	17,389,236	-	-
Unattributed	3,002,574	9,061,590	(6,059,016)	2,997,318	41,421,772
	40,300,809	36,120,594	4,180,215	11,979,634	393,145,444
	Income	Expenses	Surplus/(Deficit)	Grants included in income	Total assets
	\$	\$	\$	\$	\$
2018					
Our People	4,459,324	6,877,333	(2,418,009)	2,803,383	32,710,799
Our Place	8,405,366	10,402,669	(1,997,303)	3,883,454	276,112,250
Our Prosperity	583,473	915,710	(332,237)	90,750	4,355,410
Our Promise	1,963,396	6,589,832	(4,626,436)	-	31,343,352
General Rates	16,896,131	-	16,896,131	-	-
Unattributed	3,004,761	7,914,908	(4,910,147)	3,004,758	37,645,838
	35,312,451	32,700,452	2,611,999	9,782,345	382,167,649

Notes to Financial Report For the Year Ended 30 June 2019

Note 3 Funding for the delivery of our services

	2019 \$	2018 \$
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 2018/2019 was \$4,621 million (2017/2018 \$4,109 million). The 2018/2019 rate in the dollar for general rate was 0.003273 of the capital improved value of the property (2017/2018 - 0.003584).		
The 2018/2019 Municipal Charge was \$333 (2017/2018 \$326) per rateable assessment. In 2018/2019 the Garbage Service Charge was \$363.00 (2017/2018 \$352.50) and Recycling Charge \$111 (2017/2018 \$87.50).		
Residential	6,274,729	6,160,346
Commercial	897,428	836,273
Rural 1	3,248,018	3,151,385
Rural 2	3,101,699	2,990,890
Vacant Land - Residential	590,283	578,141
Vacant Land - Commercial	29,753	29,272
Municipal charge	3,183,453	3,087,387
Garbage charge	2,404,582	2,316,706
Recycling	748,452	584,702
Revenue in lieu of rates	63,873	62,437
Total rates and charges	<u>20,542,270</u>	<u>19,797,539</u>

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2018, and the valuation was first applied in the rating year commencing 1 July 2018.

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	353,877	279,394
Environmental health and local laws	295,436	271,910
Planning and subdivisions	298,502	299,581
Infrastructure	75,868	40,971
Other	24,447	39,646
Total statutory fees and fines	<u>1,048,130</u>	<u>931,502</u>

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 2019

Note 3	Funding for the delivery of our services (cont.)	2019	2018
3.3	User fees	\$	\$
	Halls and Community Centres	31,566	31,819
	Aged care	718,077	756,628
	Valuation data	97,761	10,941
	Saleyard fees	516,197	356,049
	Recreation pools and leisure centres	91,580	101,712
	Waste - transfer station & landfill fees	1,282,110	1,022,231
	Other fees and charges	19,522	32,096
	Total user fees	2,756,813	2,311,476
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	7,991,684	7,948,648
	State funded grants	3,987,950	1,833,697
	Total grants received	11,979,634	9,782,345
	(a) Operating Grants		
	Recurrent -Commonwealth Government		
	Financial Assistance Grants	4,676,040	4,648,228
	Aged and disability	907,842	894,425
	Children services	1,040,257	807,504
	Recurrent -State Government		
	Aged and disability	341,606	338,144
	Children services	226,975	180,274
	Public health	6,937	13,196
	Library services	150,263	149,179
	Road safety	30,205	14,953
	Total recurrent Operating Grants	7,380,125	7,045,903
	Non-recurrent -Commonwealth Government		
	Children services	10,000	-
	Roads and bridges	256,460	-
	Non-recurrent -State Government		
	Children services	103,959	51,250
	Community development	329,085	-
	Economic development	274,520	-
	Emergency management	60,000	60,000
	Environmental services	78,932	42,023
	Planning services	-	90,000
	Public health	229,865	4,744
	Library services	-	5,250
	Recreational services	170,828	12,500
	Recycling services	13,724	14,409
	Roads and bridges	-	90,000
	Transport	77,332	-
	Tourism	5,000	-
	Youth services	89,667	73,709
	Total non recurrent operating grants	1,699,372	443,885
	Total Operating grants	9,079,497	7,489,788

Notes to Financial Report
For the Year Ended 30 June 2019

Note 3.4	Funding from other levels of government (Cont.)	2019 \$	2018 \$
	(b) Capital Grants		
	Recurrent-Commonwealth Government		
	Governance		
	Community		
	Economy		
	Roads to Recovery	1,082,960	1,598,491
	Recurrent-State Government		
	Library materials	6,253	6,253
	Total recurrent capital grants	<u>1,089,213</u>	<u>1,604,744</u>
	Non-recurrent-Commonwealth Government		
	Buildings	18,125	
	Non-recurrent-State Government		
	Governance		
	Buildings	620,064	355,676
	Library equipment	-	40,800
	Roads	1,172,735	291,337
	Total non-recurrent capital grants	<u>1,810,924</u>	<u>687,813</u>
	Total capital grants	<u><u>2,900,137</u></u>	<u><u>2,292,557</u></u>

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

Balance at start of year	799,758	985,890
Received during the financial year and remained unspent at balance date	1,484,238	453,480
Received in prior years and spent during the financial year	695,158	639,612
Balance at end of year	<u>1,588,838</u>	<u>799,758</u>

Grant income is recognised when Council obtains control of the contribution. Control is normally obtained upon receipt (or acquittal).

3.5 Contributions

Monetary - operating	414,223	34,187
Monetary - capital	120,105	578,585
Non-monetary - capital	1,649,478	297,180
	<u>2,183,806</u>	<u>909,952</u>

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

Land under roads	19,308	917
Heritage Plant and Equipment	-	10,000
Drainage	265,446	32,874
Footpaths and Cycleways	69,946	16,042
Roads	1,294,778	237,347
	<u>1,649,478</u>	<u>297,180</u>

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

3.6 Other income

Interest	833,350	728,884
Interest on rates	167,316	175,173
Rental	249,661	216,446
Reimbursements	433,965	300,814
Other	105,864	158,320
	<u>1,790,156</u>	<u>1,579,637</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 2019**

Note 4	The cost of delivering services	2019	2018
		\$	\$
4.1	Employee costs		
	Wages and salaries	12,697,506	11,651,847
	Casual Staff	454,567	709,774
	Superannuation -Defined Benefits Fund	30,465	57,788
	Superannuation -Accumulation Funds	1,152,714	1,088,820
	Fringe benefits tax	25,678	37,368
	Workcover	226,060	205,815
	Total employee costs	14,586,990	13,751,412

(a) Superannuation

Council made contributions to the following funds:

Defined benefit fund

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	30,465	57,788
--	--------	--------

Employer contributions payable at reporting date.

Accumulation funds

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	675,490	704,464
Employer contributions - other funds	477,224	384,356

	1,183,179	1,146,608
--	------------------	------------------

Employer contributions payable at reporting date.

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	26,337	27,150
Employer contributions - other funds	19,523	16,103

Refer to Note 9.3 for further information relating to Councils Superannuation obligations.

4.2 Materials and services

Consultants	275,223	258,859
Contractors	7,759,075	6,779,173
Contributions	1,069,956	532,473
Insurance	491,677	409,459
Legal Expenses	208,137	206,344
Materials	858,474	757,493
Utilities	526,058	492,736
Total material and services	11,188,600	9,436,537

4.3 Depreciation and amortisation

Property	2,720,550	2,623,901
Plant and Equipment	901,083	842,503
Infrastructure	5,238,401	4,841,695
Total depreciation	8,860,034	8,308,099
Intangible assets	791,334	553,423
Total depreciation and amortisation	9,651,368	8,861,522

Refer to note 5.2 (b) and 6.2 for a more detailed breakdown of depreciation and amortisation charges and accounting policy.

**Notes to Financial Report
For the Year Ended 30 June 2019**

Note 4	The cost of delivering services (Cont)	2019	2018
4.4	Bad and doubtful debts	\$	\$
	Rate Debtors	-	2,495
	Other Debtors	76,316	18,698
	Total bad and doubtful debts	<u>76,316</u>	<u>21,193</u>
4.5	Borrowing cost		
	Interest - borrowings	54,587	78,515
	Total borrowing costs	<u>54,587</u>	<u>78,515</u>
4.6	Net loss on disposal of property, infrastructure, plant and equipment		
	Written down value of assets disposed	1,100,782	504,952
	Less proceeds from sales	<u>(245,454)</u>	<u>(249,785)</u>
		<u>855,328</u>	<u>255,167</u>
	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 6.2 for additional details.		
4.7	Other expenses		
	Auditors remuneration - auditing of the financial report	46,700	44,600
	Auditors remuneration - internal audit	33,875	35,805
	Councillors allowances	201,578	199,703
	Other	<u>77,937</u>	<u>15,998</u>
		<u>360,090</u>	<u>296,106</u>

**Notes to Financial Report
For the Year Ended 30 June 2019**

Note 5	Our financial position	2019 \$	2018 \$
5.1	Financial assets		
	(a) Cash and cash equivalents		
	Cash at bank and on hand	586,682	2,173,780
	Term deposits and at call	2,114,000	5,185,000
	Total cash and cash equivalents	2,700,682	7,358,780
	(b) Other financial assets		
	Term Deposit - current	34,119,500	24,319,500
	Total other financial assets	34,119,500	24,319,500
	Total financial assets	36,820,182	31,678,280

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))	1,214,868	1,128,612
Statutory reserves (Note 9.1(b))	565,204	487,004
Total restricted funds	1,780,072	1,615,616
Total unrestricted cash and cash equivalents	920,610	5,743,164

Intended allocations

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

Cash held to fund carried forward capital works	4,338,200	2,310,424
Grants received in advance (Note 3.4)	1,588,838	799,758
Bank Guarantee - quarry	19,500	19,500
Cash held to fund discretionary reserves	18,773,311	16,589,285
Portion of long service leave liability	572,873	583,044
Total funds subject to intended allocations	25,292,722	20,302,011

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 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 2019**

5.1 Financial assets (Cont.)	2019	2018
(c) Trade and other receivables	\$	\$
Current		
<i>Statutory receivables</i>		
Rates debtors	2,035,510	2,644,888
Provision for doubtful rate debts	(51,220)	(43,946)
Garbage and recycling debtors	399,407	462,903
Special rate scheme	7,194	11,430
Net GST receivable	232,075	276,445
<i>Non statutory receivables</i>		
Other debtors	775,925	523,176
Government grants	1,407,944	827,653
	<u>4,806,835</u>	<u>4,702,549</u>
Non-current		
<i>Non statutory receivables</i>		
Special rate scheme	4,977	15,996
	<u>4,977</u>	<u>15,996</u>
Total trade and other receivables	<u>4,811,812</u>	<u>4,718,545</u>

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

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)	1,715,678	1,156,400
Past due by up to 30 days	62,833	108,934
Past due between 31 and 180 days	30,766	7,272
Past due between 181 and 365 days	50,842	8,908
Past due by more than 1 year	323,750	69,315
Total trade and other receivables	<u>2,183,869</u>	<u>1,350,829</u>

**Notes to Financial Report
For the Year Ended 30 June 2019**

5.1 Financial assets (Cont.)

2019 **2018**
\$ **\$**

(e) Aged and individually impaired receivables

At balance date, debtors representing financial assets with a nominal value of \$7.2K were impaired. The amount of the provision raised against these debtors was \$7.2K. They are impaired as a result of their doubtful collection.

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

Current (not yet due)	7,274	-
Total trade & other receivables	7,274	-

5.2 Non-financial assets

(a) Other assets

Accrued Income	263,945	189,400
Prepayments	159,937	173,811
	423,882	363,211

(b) Intangible assets

Landfill air space	2,582,781	3,339,343
Software	297,560	256,627
Total intangible assets	2,880,341	3,595,970

	Software	Landfill	Total
Gross carrying amount			
Balance at 1 July 2018	266,320	4,469,566	4,735,886
Other Additions	75,705		75,705
Balance at 1 July 2019	342,025	4,469,566	4,811,591

Accumulated amortisation and impairment

Balance at 1 July 2018	(9,693)	(1,130,223)	(1,139,916)
Amortisation expense	(34,772)	(756,562)	(791,334)
Balance at 1 July 2019	(44,465)	(1,886,785)	(1,931,250)
Net book value at 30 June 2018	256,627	3,339,343	3,595,970
Net book value at 30 June 2019	297,560	2,582,781	2,880,341

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 2019**

	2019 \$	2018 \$
5.3 Payables		
(a) Trade and other payables		
Trade payables	1,676,482	2,313,373
Loan Interest	7,764	11,599
Accrued wages	611,599	663,347
Accrued expenses	55,158	52,925
	<u>2,351,003</u>	<u>3,041,244</u>
(b) Trust funds and deposits		
Refundable building deposits	58,500	54,500
Refundable planning permit bonds	295,173	245,648
Retention contract deposits	401,098	442,414
Fire Service Property Levy	101,955	118,949
Other refundable deposits	358,142	267,101
	<u>1,214,868</u>	<u>1,128,612</u>

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 lapsing of time, these amounts will be paid to the relevant contractor in line with Council's contractual obligations.

5.4 Interest-bearing liabilities	2019	2018
	\$	\$
Current		
Bank loans - secured	188,469	319,840
	<u>188,469</u>	<u>319,840</u>
Non-current		
Bank loans - secured	478,557	667,026
	<u>478,557</u>	<u>667,026</u>
Total	<u>667,026</u>	<u>986,866</u>

The maturity profile for Council's borrowings is:

Not later than one year	188,469	319,840
Later than one year and not later than five years	478,557	634,302
Later than five years	-	32,724
	<u>667,026</u>	<u>986,866</u>

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

Aggregate carrying amount of interest-bearing loans and borrowings:

Current	188,469	319,840
Non-current	478,557	667,026
	<u>667,026</u>	<u>986,866</u>

Borrowings are initially measured at fair value, being the cost of the interest bearing liabilities, net of transaction costs. The measurement basis subsequent to initial recognition depends on whether the Council has categorised its interest-bearing liabilities as either financial liabilities designated at fair value through the profit and loss, or financial liabilities at amortised cost. Any difference between the initial recognised amount and the redemption value is recognised in net result over the period of the borrowing using the effective interest method.

The classification depends on the nature and purpose of the interest bearing liabilities. Council determines the classification of its interest bearing liabilities at initial recognition.

Notes to Financial Report
For the Year Ended 30 June 2019

5.5 Provisions

	Employee	Landfill restoration	Total
	\$	\$	\$
2019			
Balance at beginning of the financial year	3,582,189	5,943,417	9,525,606
Additional provisions	1,096,320		1,096,320
Amounts used	(1,089,661)		(1,089,661)
Reduction in provision		(652,685)	(652,685)
Increase in the discounted amount arising because of the time and the effect of any change in the discount rate	-	(8,271)	(8,271)
Balance at the end of the financial year	3,588,848	5,282,461	8,871,309

2018

Balance at beginning of the financial year	3,393,543	5,738,237	9,131,780
Additional provisions	1,237,637	234,602	1,472,239
Amounts used	(1,048,991)	-	(1,048,991)
Increase in the discounted amount arising because of the time and the effect of any change in the discount rate	-	(29,422)	(29,422)
Balance at the end of the financial year	3,582,189	5,943,417	9,525,606

2019
\$

2018
\$

(a) Employee benefits

Current provision expected to be wholly settled within 12 months

Annual leave	813,522	804,623
Long service leave	112,734	144,401
	926,256	949,024

Current provision expected to be wholly settled after 12 months

Annual leave	371,102	445,389
Long service leave	2,078,626	1,968,159
	2,449,728	2,413,548

Total current employee provision

3,375,984	3,362,572
-----------	-----------

Non-current

Long service leave	212,864	219,617
--------------------	---------	---------

Total non-current employee provision

212,864	219,617
---------	---------

Aggregate carrying amount of employee benefits:

Current	3,375,984	3,362,572
Non-current	212,864	219,617
Total aggregate carrying amount of employee benefits	3,588,848	3,582,189

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 2019**

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	2019	2018
	- discount rate	1.15%	2.35%
	- index rate	2.50%	2.50%
	- inflation rate	2.50%	2.50%
	- settlement rate	12 yrs.	12 yrs.

(b) Provisions

2019
\$

2018
\$

Non-current

Landfill restoration

5,282,461	5,943,417
<u>5,282,461</u>	<u>5,943,417</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	2019	2018
- discount rate	1.15%	3.39%
- index rate	2.00%	2.50%
- inflation rate	2.00%	2.50%
- settlement rate	28yrs	29yrs
-estimated cost to rehabilitate	5,422,230	6,087,320

5.6 Financing arrangements

2019
\$

2018
\$

Secured bank loans at fixed interest rates:

Facility available

667,026 986,866

Used facility

667,026 986,866

Unused facility

- -

Secured bank overdraft subject to annual review and repayable at call:

Facility available

400,000 400,000

Used facility

- -

Unused facility

400,000 400,000

Should the bank overdraft be utilised the liability would be secured by a mortgage over the general rates of Council.

Notes to Financial Report For the Year Ended 30 June 2019

5.7 Commitments

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

2019	Not later than 1 year \$	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 and services	110,000	34,000	-	-	144,000
Garbage and recycling collection	952,799	2,945,007	1,160,733	-	5,058,539
Insurance	22,050	-	-	-	22,050
Internal audit	32,500	32,500	32,500	-	97,500
Landfill	40,694	44,625	-	-	85,319
Photocopiers and printers	49,246	79,038	-	-	128,284
Software	7,502	-	-	-	7,502
Street sweeping	90,904	181,808	-	-	272,712
Total	1,305,695	3,316,978	1,193,233	-	5,815,906
Capital					
Buildings & improvements	212,496	-	-	-	212,496
Car parks	22,000	-	-	-	22,000
Drainage	198,769	-	-	-	198,769
Footpaths and cycleways	22,174	-	-	-	22,174
Landfill	100,596	-	-	-	100,596
Roads	173,751	-	-	-	173,751
Software	56,500	56,500	-	-	113,000
Vegetation	3,636	-	-	-	3,636
Waste management	28,593	-	-	-	28,593
Total	818,515	56,500	-	-	875,015

2018	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 and services	104,367	17,849	-	-	122,216
Garbage and recycling collection	925,048	952,799	3,033,357	1,072,383	5,983,587
Environment	15,250	5,625	-	-	20,875
Insurance	21,000	22,050	-	-	43,050
Internal audit	26,100	-	-	-	26,100
Landfill	42,893	40,694	44,625	-	128,212
Library	63,506	-	-	-	63,506
Management services	12,656	-	-	-	12,656
Photocopiers and printers	49,246	49,246	79,038	-	177,530
Street Lighting	22,486	-	-	-	22,486
Street sweeping	90,904	90,904	181,808	-	363,616
Telecommunications	6,942	-	-	-	6,942
Total	1,380,398	1,179,167	3,338,828	1,072,383	6,970,776
Capital					
Buildings & improvements	868,386	-	-	-	868,386
Bridges	61,714	-	-	-	61,714
Drainage	4,475	-	-	-	4,475
Footpaths and cycleways	36,591	-	-	-	36,591
Plant and equipment	44,880	-	-	-	44,880
Roads	36,151	-	-	-	36,151
Software	72,370	56,500	-	-	128,870
Total	1,124,567	56,500	-	-	1,181,067

Operating lease commitments

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

	2019 \$	2018 \$
Not later than one year	76,919	120,131
Later than one year and not later than five years	74,931	133,349
Later than five years	192,667	211,168
	<u>344,517</u>	<u>464,648</u>

Lease payments for operating leases are required by the accounting standard to be recognised on a straight line basis, rather than expensed in the years in which they are incurred.

Notes to Financial Report
For the Year Ended 30 June 2019

Note 6 Assets we manage

	2019	2018
	\$	\$
6.1 Non-Current assets classified as held for sale		
Land	-	217,047
	<u>-</u>	<u>217,047</u>

A non-current asset classified as held for sale is measured at the lower of its carrying amount and fair value less costs of disposal, and is not subject to depreciation. Non-current assets held for sale are treated as current and classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset's sale is expected to be completed within 12 months from the date of classification.

6.2 Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment

	At Fair Value 30-June-2018	Acquisitions	Contributions	Revaluations	Depreciation	Disposals	Transfers	At Fair Value 30-June-2019
	\$	\$	\$	\$	\$	\$	\$	\$
Land	45,333,121	-	19,308	3,085,877	-	-	217,047	48,655,353
Buildings	63,376,094	1,730,058	-	2,808,732	(2,720,550)	(75,655)	875,462	65,994,141
Plant and Equipment	5,306,664	822,196	-	-	(901,083)	(119,452)	-	5,108,325
Infrastructure	226,413,601	2,980,568	1,630,170	2,481,093	(5,238,401)	(905,676)	-	227,361,355
Works in Progress	1,133,374	798,835	-	-	-	-	(875,462)	1,056,747
Total	341,562,854	6,331,657	1,649,478	8,375,702	(8,860,034)	(1,100,783)	217,047	348,175,921

Notes to Financial Report
For the Year Ended 30 June 2019

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

Summary of Works in Progress

	Opening WIP \$	Additions \$	Transfers \$	Closing WIP \$
Buildings	913,151	324,513	(875,462)	362,202
Plant and Equipment	-	22,651	-	22,651
Infrastructure	220,223	451,671	-	671,894
Total	1,133,374	798,835	(875,462)	1,056,747

6.2 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 2018	25,878,681	4,812,443	14,641,997	45,333,121	85,468,608	22,117,002	107,585,610	913,151	153,831,882
Accumulated depreciation at 1 July 2018	-	-	-	-	(34,829,958)	(9,379,558)	(44,209,516)	-	(44,209,516)
	25,878,681	4,812,443	14,641,997	45,333,121	50,638,650	12,737,444	63,376,094	913,151	109,622,366
Movements in fair value									
Additions	-	-	19,308	19,308	1,730,058	-	1,730,058	324,513	2,073,879
Revaluation increments/decrements	-	3,085,877	-	3,085,877	(13,374,356)	-	(13,374,356)	-	(10,288,479)
Disposals	-	-	-	-	(121,507)	-	(121,507)	-	(121,507)
Transfer - asset held for sale	-	217,047	-	217,047	-	-	-	-	217,047
Transfers	(25,878,681)	25,878,681	-	-	22,992,464	(22,117,002)	875,462	(875,462)	-
	(25,878,681)	29,181,605	19,308	3,322,232	11,226,659	(22,117,002)	(10,890,343)	(550,949)	(8,119,060)
Movements in accumulated depreciation									
Depreciation and amortisation	-	-	-	-	(2,720,550)	-	(2,720,550)	-	(2,720,550)
Accumulated depreciation of disposals	-	-	-	-	45,852	-	45,852	-	45,852
Revaluation increments/decrements	-	-	-	-	16,183,088	-	16,183,088	-	16,183,088
Transfers	-	-	-	-	(9,379,558)	9,379,558	-	-	-
	-	-	-	-	4,128,832	9,379,558	13,508,390	-	13,508,390
At fair value 30 June 2019	-	33,994,048	14,661,305	48,655,353	96,695,267	-	96,695,267	362,202	145,712,822
Accumulated depreciation at 30 June 2019	-	-	-	-	(30,701,126)	-	(30,701,126)	-	(30,701,126)
	-	33,994,048	14,661,305	48,655,353	65,994,141	-	65,994,141	362,202	115,011,696

Notes to Financial Report
For the Year Ended 30 June 2019

6.2 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 2018	355,787	7,664,667	1,955,147	828,537	-	10,804,138
Accumulated depreciation at 1 July 2018	(32,084)	(3,775,218)	(1,323,383)	(366,789)		(5,497,474)
	323,703	3,889,449	631,764	461,748	-	5,306,664
Movements in fair value						
Additions	2,385	665,679	50,871	103,261	22,651	844,847
Disposals	-	(398,662)	-	(82,343)		(481,005)
	2,385	267,017	50,871	20,918	22,651	363,842
Movements in accumulated depreciation						
Depreciation and amortisation	(4,987)	(632,718)	(170,384)	(92,994)		(901,083)
Accumulated depreciation of disposals	-	279,210	-	82,343		361,553
	(4,987)	(353,508)	(170,384)	(10,651)	-	(539,530)
At fair value 30 June 2019	358,172	7,931,684	2,006,018	849,455	22,651	11,167,980
Accumulated depreciation at 30 June 2019	(37,071)	(4,128,726)	(1,493,767)	(377,440)	-	(6,037,004)
	321,101	3,802,958	512,251	472,015	22,651	5,130,976

Notes to Financial Report
For the Year Ended 30 June 2019

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

(c) Infrastructure

	Roads	Bridges	Footpaths and cycleways	Drainage	Work In Progress	Total Infrastructure
	\$	\$	\$	\$	\$	\$
At fair value 1 July 2018	218,292,796	61,508,644	12,303,199	20,348,820	220,223	312,673,682
Accumulated depreciation at 1 July 2018	(55,589,383)	(21,009,204)	(4,175,345)	(5,265,926)	-	(86,039,858)
	162,703,413	40,499,440	8,127,854	15,082,894	220,223	226,633,824
Movements in fair value						
Additions	3,679,440	350,089	265,514	315,695	451,671	5,062,409
Revaluation increments/decrements	-	2,847,786	-	-	-	2,847,786
Disposals	(2,125,382)	-	(125,325)	-	-	(2,250,707)
Transfers	-	-	-	-	-	-
	1,554,058	3,197,875	140,189	315,695	451,671	5,659,488
Movements in accumulated depreciation						
Depreciation and amortisation	(3,916,801)	(681,140)	(440,302)	(200,158)	-	(5,238,401)
Accumulated depreciation of disposals	1,256,329	-	88,702	-	-	1,345,031
Revaluation increments/decrements	-	(366,693)	-	-	-	(366,693)
	(2,660,472)	(1,047,833)	(351,600)	(200,158)	-	(4,260,063)
At fair value 30 June 2019	219,846,854	64,706,519	12,443,388	20,664,515	671,894	318,333,170
Accumulated depreciation at 30 June 2019	(58,249,855)	(22,057,037)	(4,526,945)	(5,466,084)	-	(90,299,921)
	161,596,999	42,649,482	7,916,443	15,198,431	671,894	228,033,249

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 telecommunications	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.

Notes to Financial Report For the Year Ended 30 June 2019

Valuation of land and buildings

Valuation of land and buildings were undertaken at 30 June 2019 by a qualified independent valuers Lackain Black APV Valuers and Asset Management valuer registration number 66132 and Josh Franklin valuer registration number 102257. The valuation of land and buildings is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Where land use is restricted through existing planning provisions the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

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 unserviced) characteristics, access rights and private interests of other parties and entitlements of infrastructure assets and services. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement. Valuation of land under roads was undertaken by a qualified independent valuer Marcus Hann valuer registration number 62901.

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 2019 are as follows:

	Level 1	Level 2	Level 3	Date of Valuation
	\$	\$	\$	
Land	-	33,994,048	-	30-June-2019
Land Under Roads	-	-	14,661,305	30-June-2018
Buildings	-	-	65,994,141	30-June-2019
Total	-	33,994,048	80,655,446	

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

Valuation of infrastructure

Valuation of infrastructure assets has been determined in accordance with a valuation undertaken as detailed in the following table. An indexed based revaluation was conducted using ABS data for all infrastructure asset classes not fully revalued in the current year. Infrastructure assets are fully revalued every 3-5 years.

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

	Level 1	Level 2	Level 3	Date of Valuation	Valuer
	\$	\$	\$		
Roads	-	-	161,596,999	01-July-2017	Council Officer John Canny A.A.I.Q.S
Bridges	-	-	42,649,482	30-June-2019	Jian Zhao MIE Aust
Footpaths and cycleway	-	-	7,916,443	30-June-2017	Council Officer John Canny A.A.I.Q.S
Drainage	-	-	15,198,431	30-June-2015	Council Officer John Canny A.A.I.Q.S
Total	-	-	227,361,355		

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.

	2019	2018
	\$	\$
Reconciliation of specialised land		
Active recreation	-	7,270,633
Community centres and hall reserves	-	1,524,543
Land under roads	14,661,305	14,641,997
Other	-	4,784,040
Passive recreation	-	10,087,596
Waste management	-	2,211,869
Total specialised land	14,661,305	40,520,678

6.3 Investment in associates, joint arrangements and subsidiaries

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 2019

Note 7 People and relationships

7.1 Council and key management remuneration

2019
No. 2018
No.

(a) Related Parties

Parent entity
Murrindindi 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 -Mayor Councillor - Leigh Dunscombe- Deputy Mayor Councillor - Charlotte Bisset Councillor - Eric Lording Councillor - Jackie Ashe Councillor - Margaret Rae Councillor - Rebecca Bowles
Officers	Chief Executive Officer - Craig Lloyd Director Community Engagement -Shivaun Brown Director Corporate and Community Services - Michael Chesworth Director Assets and Development Services - Stuart McConnell

Total Number of Councillors

7 7

Chief Executive Officer and other Key Management Personnel

4 4

Total Key Management Personnel

11 11

(c) Remuneration of Key Management Personnel

Total remuneration of key management personnel was as follows:

Short-term benefits	902,163	816,940
Post-employment benefits	67,814	60,901
Long-term benefits	21,847	24,213
Total	991,824	902,054

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

\$20,000 - \$29,999	5	6
\$30,000 - \$39,999	1	-
\$60,000 - \$69,999	1	1
\$90,000 - \$99,999	-	1
\$160,000 - \$169,999	-	1
\$170,000 - \$179,999	1	-
\$180,000 - \$189,999	1	1
\$200,000 - \$209,999	1	-
\$250,000 - \$259,999	-	1
\$260,000 - \$269,999	1	-
	11	11

**Notes to Financial Report
For the Year Ended 30 June 2019**

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 \$148,000

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

	2019	2018
	No.	No.
Income Range:		
\$148,000 - \$149,999	-	4
\$150,000 - \$159,999	1	1
\$160,000 - \$169,999	1	-
\$230,000 - \$239,999	1	
Total Senior Officers	3	5
	\$	\$

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

548,751 740,619

7.2 Related party disclosure

(a) Transactions with related parties

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

- Alexandra Hotel - 3 Transactions totalling \$794.65 relating to accommodation for Council contractors.
- Goulburn Valley Waste Rescouce Recovery Group - 1 Transaction totalling \$9762.50 relating to a project contribution for a Recource Recovery Centre optimisation study.
- Outdoor Education Group - 1 Transaction totalling \$27,500 relating to a Business & Tourism Innovation Grant for Fundraising Approaches.
- River and Ranges Community Leadership Program - 1 Transaction totalling \$4,700 relating for Bushfire commeration grants.
- Taggerty Community Progres Group - 3 Transactions totalling \$10,700 for Bushfire commeration grants.

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 2019 between Council and any related party, nor were any loan transactions entered into during the 2018/19 financial year.

(d) Commitments to/from related parties

No commitments are in existence as at 30 June 2019 between Council and any related party, nor were any commitments made during the 2018/19 financial year.

Notes to Financial Report For the Year Ended 30 June 2019

Note 8 Managing uncertainties

8.1 Contingent liabilities and contingent assets

(a) Contingent assets

There were no contingent assets as at 30 June 2019 (2018 Nil)

Operating lease receivables

The Council has entered into commercial property leases on 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:

	2019	2018
	\$	\$
Not later than one year	201,341	147,473
Later than one year and not later than five years	696,108	605,737
Later than five years	1,550,485	1,458,636
	2,447,934	2,211,846

(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.

Staff Redundancies

At its meeting on 27 March 2019, Council made the decision to withdraw from the direct delivery of aged and disability care services including the Commonwealth Home Support Program, Home and Community Care – Program for Younger People, Regional Assessment Services and private business. The date of the withdrawal is currently being negotiated with the relevant agencies. The cessation of these services will result in approximately 20 equivalent full time positions being made redundant. In accordance with Councils Enterprise Bargaining Agreement redeployment, retraining and redundancy arrangements will be offered to the affected employees.

Liability Mutual Insurance

Council is a participant of the MAV Liability Mutual Insurance (LMI) Scheme. The LMI scheme provides public liability and professional indemnity insurance cover. The LMI scheme states that each participant will 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 will continue whether or not the participant remains a participant in future insurance years.

8.2 Change in accounting standards

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

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

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

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

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

Leases (AASB 16) (applies 2019/20)

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

Council has elected to adopt the modified retrospective approach to the transition to the new lease standard. This will mean that only existing operating leases for non low value assets, with remaining terms greater than 12 months, will be recognised on transition (1 July 2019). Based on our current lease commitments and an assumption of a continuation of the current leasing arrangements Council expects that the transition to the new standard will see the initial recognition of less than \$100,000 in lease related assets and an equivalent liability

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

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

Notes to Financial Report For the Year Ended 30 June 2019

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 not been sufficiently significant during the year to have 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.

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 the following movements are 'reasonably possible' over the next 12 months.

- A parallel shift of +0.25% or -0.25% in market interest rates (AUD) from year-end rates of 1.2%.

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

Notes to Financial Report For the Year Ended 30 June 2019

8.4 Fair value measurement

Fair value hierarchy

Council's financial assets 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 6.2, 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

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

**Notes to Financial Report
For the Year Ended 30 June 2019**

Note 9 Other Matters

9.1 Reserves

	2019	2018
	\$	\$
Asset revaluation reserves (a)	227,542,255	219,166,553
Other reserves (b)	19,338,515	17,076,289
	<u>246,880,770</u>	<u>236,242,842</u>

	Balance at beginning of reporting period	Increment (decrement)	Balance at end of reporting period
	\$	\$	\$
(a) Asset revaluation reserves			
2019			
Property			
Land	26,239,061	3,085,877	29,324,938
Land under roads	11,075,405	-	11,075,405
Buildings	28,398,304	2,808,732	31,207,036
	<u>65,712,770</u>	<u>5,894,609</u>	<u>71,607,379</u>
Infrastructure			
Bridges	8,638,425	2,481,093	11,119,518
Drainage	10,748,846	-	10,748,846
Footpaths and cycleways	5,961,092	-	5,961,092
Roads	128,105,420	-	128,105,420
	<u>153,453,783</u>	<u>2,481,093</u>	<u>155,934,876</u>
Total Asset revaluation reserves	<u>219,166,553</u>	<u>8,375,702</u>	<u>227,542,255</u>
2018			
Property			
Land	25,058,633	1,180,428	26,239,061
Land under roads	884,981	10,190,424	11,075,405
Buildings	27,057,541	1,340,763	28,398,304
	<u>53,001,155</u>	<u>12,711,615</u>	<u>65,712,770</u>
Infrastructure			
Bridges	4,559,345	4,079,080	8,638,425
Drainage	9,229,706	1,519,140	10,748,846
Footpaths and cycleways	5,142,459	818,633	5,961,092
Roads	111,011,695	17,093,725	128,105,420
	<u>129,943,205</u>	<u>23,510,578</u>	<u>153,453,783</u>
Total Asset revaluation reserves	<u>182,944,360</u>	<u>36,222,193</u>	<u>219,166,553</u>

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 2019**

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	\$	\$	\$	\$
2019				
Statutory Reserves				
Public Open Space	487,004	78,200	-	565,204
Discretionary Reserves				
Defined Benefits Superannuation	1,200,000	-	-	1,200,000
Gifted and Novated Assets	920,000	-	-	920,000
Infrastructure Contributions Parking	41,080	-	-	41,080
Infrastructure Balance MAP funding	498,428	-	-	498,428
Infrastructure Maintenance	1,040,130	-	-	1,040,130
Infrastructure Unexpended Capital Works	789,979	75,441	-	865,420
Landfill and Waste Management	7,784,511	3,797,894	(1,894,657)	9,687,748
Marysville Caravan Park	89,122	76,472	(21,920)	143,674
New and Expanded Assets	4,040,532	-	-	4,040,532
Marysville Community Fund	63,531	-	-	63,531
Road Maintenance - Subdividers Contribution	16,044	-	-	16,044
Shaw Avenue Redevelopment	43,752	-	-	43,752
Yea Caravan Park	-	43,379	(9,786)	33,593
Yea Saleyards	62,176	536,731	(419,528)	179,379
Total Other reserves	17,076,289	4,608,117	(2,345,891)	19,338,515

	Balance at beginning of reporting period	Transfer from accumulated surplus	Transfer to accumulated surplus	Balance at end of reporting period
	\$	\$	\$	\$
2018				
Statutory Reserves				
Public Open Space	462,254	24,750	-	487,004
Discretionary Reserves				
Alexandra Community Leisure Centre	20,802	-	(20,802)	-
Defined Benefits Superannuation	1,050,000	150,000	-	1,200,000
Gifted and Novated Assets	920,000	-	-	920,000
Infrastructure Contributions Parking	41,080	-	-	41,080
Infrastructure Balance MAP funding	516,378	-	(17,950)	498,428
Infrastructure Maintenance	1,016,760	109,370	(86,000)	1,040,130
Infrastructure Unexpended Capital Works	1,073,692	-	(283,713)	789,979
Landfill and Waste Management	6,197,679	1,921,967	(335,135)	7,784,511
Marysville Caravan Park	149,784	61,204	(121,866)	89,122
New and Expanded Assets	4,122,936	-	(82,404)	4,040,532
Marysville Community Fund	63,531	-	-	63,531
Road Maintenance - Subdividers Contribution	16,044	-	-	16,044
Shaw Avenue Redevelopment	43,752	-	-	43,752
Yea Caravan Park	-	7,358	(7,358)	-
Yea Saleyards	-	139,986	(77,810)	62,176
Total Other reserves	15,694,692	2,414,635	(1,033,038)	17,076,289

Notes to Financial Report For the Year Ended 30 June 2019

9.1 Reserves (cont.)

Defined Benefits reserve has been created to meet any obligations for future funding calls from the Vision Super Defined Benefits Superannuation Fund.

Gifted and Novated reserve is funds set aside from State Government funding for new assets gifted after the 2009 bushfires.

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

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

Infrastructure balance MAP represents the final payment received from State Government related to the Murrindindi Assistance Package.

Infrastructure Unexpended Capital works relates to savings from capital projects that will be allocated to fund future capital works.

Landfill and waste management reserve represents funds set aside for rehabilitation of Landfill site. The reserve is to be utilised for future works to maximise life of the landfill site (eg. cell construction, cell capping and Leachate management over the next 20 years)

Marysville Caravan Park reserve is surplus operational funds set aside for future capital works.

Marysville Community Fund are funds set aside from sale of Council assets in Marysville that are to be reinvested in infrastructure in Marysville.

New and Expanded assets reserve represents funds set aside for future capital works on assets gifted following the 2009 bushfires.

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

Road Maintenance reserve consists of contributions from subdividers to future road maintenance cost impacted by respective subdivisions.

Shaw Avenue reserve represents funds set aside for redevelopment of remaining land.

Yea Caravan Park reserve is surplus operational funds set aside for future capital works.

Yea Saleyards reserve is surplus operational funds set aside for future capital works.

9.2 Reconciliation of cash flows from operating activities to surplus

	2019	2018
	\$	\$
Surplus for the financial year	4,180,215	2,611,999
Depreciation and amortisation	9,651,368	8,861,522
Contributions - non-monetary	(1,649,478)	(297,180)
Finance Costs	58,422	83,111
(Gain)/loss on disposal of property, plant and equipment, infrastructure	855,328	255,167
Change in assets and liabilities:		
(Increase)/Decrease in trade and other receivables	(93,267)	(1,926,864)
(Increase)/Decrease in inventories	(1,564)	13,972
(Increase)/Decrease in other current assets	(60,671)	28,867
Increase/(Decrease) in trade and other payables	(862,037)	1,144,442
Increase/(Decrease) in trust funds and deposits	86,256	133,544
Increase/(Decrease) in provisions	(654,297)	159,224
Net cash provided by operating activities	11,510,275	11,067,804

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 2019, 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

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2020 is \$56,000.

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.

As at 30 June 2018, an interim actuarial investigation was held as the Fund provides lifetime pensions in the Defined Benefit category. The vested benefit index (VBI) of the Defined Benefit category of which Council is a contributing employer was 106.0%. The financial assumptions used to calculate the VBIs were:

Net investment returns	6.0% pa
Salary information	3.5% pa
Price inflation (CPI)	2.0% pa

Vision Super has advised that the estimated VBI at 30 June 2019 was 107.1%.

The VBI is used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2019 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.

Employer contributions

Regular contributions

On the basis of the results of the 2018 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 2019, this rate was 9.5% of members' salaries (9.5% in 2017/2018). This rate will increase in line with any increase to the SG contribution rate. In addition, Council reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit.

9.3 Superannuation (Cont.)

Funding calls

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

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

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 2018 interim actuarial investigation surplus amounts.

full actuarial investigation conducted every three years and interim actuarial investigations are conducted for each intervening year. An interim investigation was conducted as at 30 June 2018 and a full actuarial investigation was conducted as at 30 June 2017. The Fund's actuarial investigations identified the following for the Defined Benefit category:

	2018	2017
	\$m	\$m
A VBI surplus	131.9	69.8
A total service liability surplus	218.3	193.5
A discounted accrued benefits surplus	249.1	228.8

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

The total service liability surplus means that the current value of the assets in the Fund's Defined Benefit category plus expected future contributions exceeds the value of expected future benefits and expenses as at 30 June 2018

The discounted accrued benefit surplus means that the current value of the assets in the Fund's Defined Benefit category plus expected future contributions exceeds the value of the expected future benefits and expenses as at 30 June 2018

Council was notified of the 30 June 2019 VBI during August 2019.

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%

Murrindindi Shire Council
Performance Statement
For the Year Ended
30-June-2019

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 14,478 as of the most recent Australian Bureau of Statistics update.

PERFORMANCE STATEMENT

Sustainable Capacity Indicators

<i>Indicator /measure</i>	Results 2016	Results 2017	Results 2018	Results 2019	Material Variations
Population					
<i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$2,287.29	\$2,336.32	\$2,308.21	\$2,494.86	
<i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$19,818.00	\$19,937.14	\$21,943.37	\$21,700.64	
<i>Population density per length of road</i> [Municipal population / Kilometres of local roads]	11.02	11.25	11.43	11.68	
Own-source revenue					
<i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$1,665.55	\$1,701.02	\$1,737.85	\$1,805.32	
Recurrent grants					
<i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$511.28	\$731.86	\$610.62	\$584.98	
Disadvantage					
<i>Relative Socio-Economic Disadvantage</i> [Index of Relative Socio-Economic Disadvantage by decile]	6.00	6.00	6.00	6.00	

PERFORMANCE STATEMENT

Service Performance Indicators

Service/indicator /measure	Results 2016	Results 2017	Results 2018	Results 2019	Material Variations
Aquatic Facilities					
Utilisation					
<i>Utilisation of aquatic facilities</i>	1.42	1.30	1.42	1.53	
[Number of visits to aquatic facilities / Municipal population]					
Animal Management					
Health and safety					
<i>Animal management prosecutions</i>	2.00	0.00	0.00	1.00	There was one animal prosecution for the year, there were no prosecutions the previous year.
[Number of successful animal management prosecutions]					
Food Safety					
Health and safety					
<i>Critical and major non-compliance outcome notifications</i>	100.00%	100.00%	100.00%	100.00%	
[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					
Governance					
Satisfaction					
<i>Satisfaction with council decisions</i>	42.00	41.00	45.00	55.00	
[Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]					
Home and Community Care (HACC)					
Participation					
<i>Participation in HACC service</i>	30.96%	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs
[Number of people that received a HACC service / Municipal target population for HACC services] x100					
Participation					
<i>Participation in HACC service by CALD people</i>	46.79%	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs
[Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x100					
Libraries					
Participation					
<i>Active library members</i>	21.44%	40.25%	20.61%	22.08%	Active library membership remains largely constant but has climbed in the year under review. The figure for 2016-17 was inaccurately reported.
[Number of active library members / Municipal population] x100					

PERFORMANCE STATEMENT

Service/indicator /measure	Results 2016	Results 2017	Results 2018	Results 2019	Material Variations
Maternal and Child Health (MCH) Participation <i>Participation in the MCH service</i> [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100 Participation <i>Participation in the MCH service by Aboriginal children</i> [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	95.28%	98.36%	100.00%	86.75%	This measure reflects the level of participation in Key Age and Stage (KAS) assessments which can fluctuate in some years if KAS assessments are not due for older toddlers. A small number of families, initially involved in the service left during the year which accounts for the decrease in 2018/19 .
Roads Satisfaction <i>Satisfaction with sealed local roads</i> [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	51.00	46.00	42.00	48.00	A focused approach to sealed road network has seen an improvement in community satisfaction.
Statutory Planning Decision making <i>Council planning decisions upheld at VCAT</i> [Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	100.00%	66.67%	66.67%	100.00%	One Council Planning decision was referred to VCAT in 2018/2019, Council's decision was upheld.
Waste Collection Waste diversion <i>Kerbside collection waste diverted from landfill</i> [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	39.59%	36.30%	34.92%	34.09%	

PERFORMANCE STATEMENT									
Financial Performance Indicators									
Dimension/indicator/measure	Results 2016	Results 2017	Results 2018	Results 2019	Forecasts 2020202120222023				Material Variations
Efficiency									
Revenue level									
Average residential rate per residential property assessment [Residential rate revenue / Number of residential property assessments]	\$1,021.57	\$1,076.61	\$1,102.16	\$1,108.27	\$1,169.55	\$1,192.71	\$1,216.33	\$1,240.41	
Expenditure level									
Expenses per property assessment [Total expenses / Number of property assessments]	\$3,237.78	\$3,331.23	\$3,358.70	\$3,645.23	\$3,601.78	\$3,647.95	\$3,698.10	\$3,748.95	
Workforce turnover									
Resignations and terminations compared to average staff [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	16.10%	11.96%	9.07%	13.29%	11.49%	11.43%	10.81%	10.26%	Result is consistent with the three year average. An organisation restructure has contributed to the 18/19 result.
Liquidity									
Working capital									
Current assets compared to current liabilities [Current assets / Current liabilities] x100	390.20%	537.67%	471.11%	590.22%	472.45%	499.18%	486.51%	507.91%	The trend in percentage of working capital has remained strong across the 4 years of reporting. The current year result reflects council holding cash to fund carried over capital works. Council also has sufficient cash to pay liabilities on time.
Unrestricted cash									
Unrestricted cash compared to current liabilities [Unrestricted cash / Current liabilities] x100	28.47%	53.47%	73.14%	12.91%	398.34%	427.60%	415.23%	437.16%	Council has significant cash holdings in term deposits (\$34.1 million), which are classified as 'financial assets' in our Balance Sheet. Although these term deposits are liquid, these cash holdings are excluded from the caluation which understates Council's actual unrestricted cash.

PERFORMANCE STATEMENT									
PERFORMANCE STATEMENT									
Dimension/indicator /measure	Results 2016	Results 2017	Results 2018	Results 2019	Forecasts				Material Variations
					2020	2021	2022	2023	
Obligations									Although Council spent \$3.8 million on asset renewal projects, the 2018/19 year result of 43.31% indicates that Council is not meeting all asset renewal requirements. Council is working to address this issue with improved systems and data management.
Asset renewal									
Asset renewal compared to depreciation	49.41%	81.63%	53.19%	43.31%	51.60%	78.96%	108.98%	75.90%	
[Asset renewal expense / Asset depreciation] x100									
Loans and borrowings									
Loans and borrowings compared to rates	11.09%	7.06%	4.98%	3.25%	2.24%	1.63%	1.06%	0.52%	No new loans. Council continues to paydown existing loan balances.
[Interest bearing loans and borrowings / Rate revenue] x100									
Loans and borrowings repayments compared to rates	5.09%	4.12%	2.28%	1.84%	1.06%	0.82%	0.60%	0.38%	No new loans. Council continues to paydown existing loan balances.
[Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100									
Indebtedness									
Non-current liabilities compared to own source revenue	30.71%	29.47%	27.74%	22.86%	24.53%	23.12%	21.78%	20.50%	The trend in indebtedness continues to decrease as Council paydowns existing loans.
[Non-current liabilities / Own source revenue] x100									
Operating position									
Adjusted underlying result									The 2017/18 result was influenced by an advance payment from the Victorian Grants Commission. The 2018/19 result is in line with Council's original budget.
Adjusted underlying surplus (or deficit)	-2.55%	6.25%	3.11%	1.63%	-1.13%	-0.85%	-0.67%	-0.48%	
[Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100									
Stability									
Rates concentration									
Rates compared to adjusted underlying revenue	60.33%	55.45%	58.66%	55.94%	60.59%	60.84%	61.09%	61.34%	
[Rate revenue / Adjusted underlying revenue] x100									
Rates effort									
Rates compared to property values	0.46%	0.47%	0.48%	0.44%	0.42%	0.43%	0.44%	0.44%	
[Rate revenue / Capital improved value of rateable properties in the municipality] x100									

Basis of preparation

Council is required to prepare and include a performance statement within its annual report. The performance statement includes the results of the prescribed sustainable capacity, service performance and financial performance indicators and measures together with a description of the municipal district and an explanation of material variations in the results. This statement has been prepared to meet the requirements of the Local Government Act 1989 and Local Government (Planning and Reporting) Regulations 2014.

Where applicable the results in the performance statement have been prepared on accounting bases consistent with those reported in the Financial Statements. The other results are based on information drawn from council information systems or from third parties (e.g. Australian Bureau of Statistics).

The performance statement presents the actual results for the current year and for the prescribed financial performance indicators and measures, the results forecast by the council's strategic resource plan. The Local Government (Planning and Reporting) Regulations 2014 requires explanation of any material variations in the results contained in the performance statement. Council has adopted materiality thresholds relevant to each indicator and measure and explanations have not been provided for variations below the materiality thresholds unless the variance is considered to be material because of its nature.

The forecast figures included in the performance statement are based on the assumptions adopted by council in its budget and strategic resource plan on 26 June 2019. The budget and 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. Council's budget and strategic resource plan are available on Council's website (www.murrindindi.vic.gov.au) or copies are available in all three of Council's offices.

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 131, 132 and 133 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

"CALD" means culturally and linguistically diverse and refers to persons born outside Australia in a country whose national language is not English

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

"Community Care Common Standards" means the Community Care Common Standards for the delivery of HACC services, published from time to time by the Commonwealth

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

"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*

"HACC program" means the Home and Community Care program established under the Agreement entered into for the purpose of the Home and Community Care Act 1985 of the Commonwealth

"HACC service" means home help, personal care or community respite provided under the HACC program

"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 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 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 website

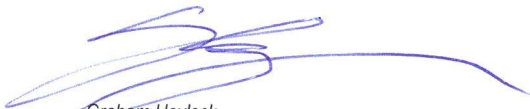
"target population" has the same meaning as in the Agreement entered into for the purposes of the Home and Community Care Act 1985 of the Commonwealth

"unrestricted cash" means all cash and cash equivalents other than restricted cash

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

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 (Finance and Reporting) Regulations 2014.



Graham Haylock
Principal Accounting Officer

Date : 25/9/19
Yea

In our opinion, the accompanying performance statement of Murrindindi Shire Council for the year ended 30 June 2019 presents fairly the results of council's performance in accordance with the Local Government Act 1989 and the Local Government (Planning and Reporting) Regulations 2014.

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

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

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



Sandice McAulay
Mayor

Date : 25 Sept 2019
Yea



Leigh Dunscombe

Councillor 25/9/2019

Date :
Yea



Craig Lloyd
Chief Executive Officer

Date : 25 9/19
Yea

Independent Auditor's Report

To the Councillors of Murrindindi Shire Council

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


Engagements will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of this performance statement.

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

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

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

MELBOURNE
27 September 2019


Jonathan Kyvelidis
as delegate for the Auditor-General of Victoria