

Strathbogie Shire Council Annual Report

For the year ended
30 June 2020



Euroa Customer Service

109A Binney Street, Euroa
Open 9am – 5pm: Monday to Friday

Nagambie Customer Service

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Open 10am – 4pm: Monday to Friday

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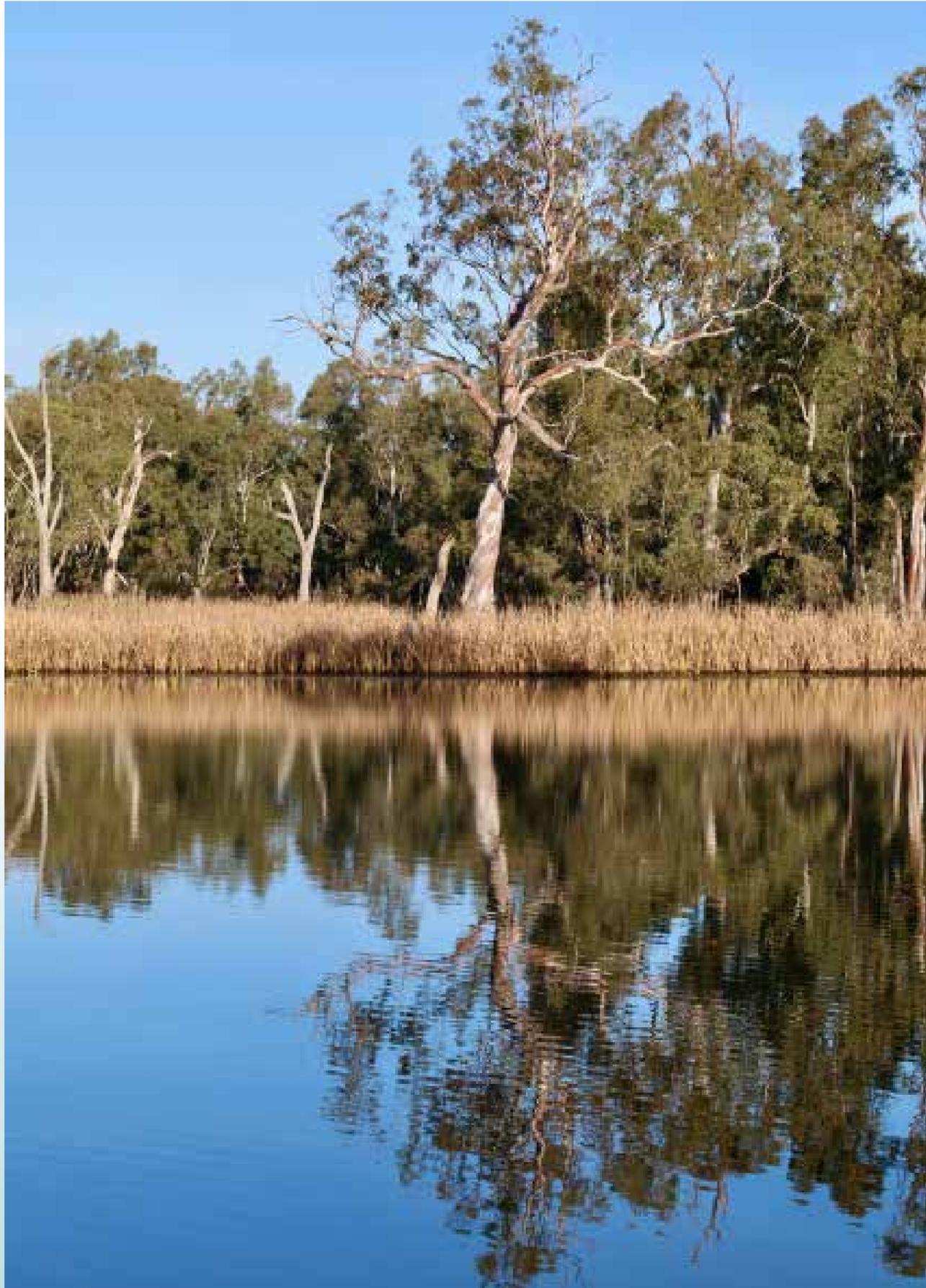
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Cover page – Polly McQuinns.

Opposite page – View beyond Polly McQuinns Weir to Mt Wombat. Photographer: Sean Mathews

Overview





Welcome

The Strathbogie Shire Council is pleased to present the 2019-2020 Annual Report.

The Local Government Act 1989 requires Councils to submit an Annual Report each financial year. This document is a key reporting mechanism and measures Council's performance against the objective details in the Council Plan 2017-2021 and Annual Budget.

In responding to the needs and expectations of the community, Council is committed to open and transparent decision-making, good governance and effective community consultation.

Traditional Owners

Strathbogie Shire Council acknowledges the traditional owners of the land which comprises Strathbogie Shire.

We pay respect to their tribal Elders; we celebrate their continuing culture and we acknowledge the memory of their ancestors.

Our Vision

Together we are building a flourishing community.

Our Mission

To support our community to grow through effective partnerships, engagement and equitable and efficient delivery of services.

Our Values

To be a respectful, innovative, open and transparent, inclusive, fair and ethical Council.

Our Commitment to Engagement and Communication

We will be a more inclusive Council by engaging and communicating in an open and honest manner with our local community and key stakeholders.

Our Shire

Strathbogie Shire is a rural municipality located in Northern Victoria, approximately 90 minutes from Melbourne.

The region comprises the diverse and vibrant townships of Avenel, Euroa, Nagambie, Violet Town and Strathbogie. There are also many smaller communities including places such as Boho, Graytown, Kirwans Bridge, Kelvin View, Longwood, Miepoll, Ruffy, Upotipotpon and Wahrung.

The Shire is situated within the picturesque surrounds of the Strathbogie Ranges with a population of 10,650 recorded in the 2018 Census. The Shire encompasses 330,326 hectares and has a population density of 0.03 persons per hectare.

Major natural features include the Heathcote-Graytown National Park, Strathbogie Ranges, Goulburn River, Goulburn Weir, Lake Nagambie, Polly McQuinn's and Gooram Falls. The Shire's tourism appeal continues to grow, with the area home to several eateries and wineries, walking trails, waterways and breathtaking wilderness.

Strathbogie Shire is serviced by the Goulburn Valley Freeway, the Hume Freeway, the Goulburn Valley Highway and the Melbourne-Shepparton and Melbourne-Wodonga railway lines, providing numerous freight and public transport options.

With a median age of 52 years old (ABS, 2018 estimate data) Strathbogie Shire's population consists of an active workforce and strong volunteer communities in the townships and region. While 51.8 percent of the population are aged 50 years and older (ABS, 2018 estimate data), 21.4 percent of persons are 0 to 24 years, and equally 21.4 percent are aged between 25 and 49 years. The 2016 Census revealed 81.4 per cent of residents were born in Australia and 3.1 per cent speak another language.

The Strathbogie Shire has a strong agricultural economic base, including wool, grain, sheep and cattle production, extensive vineyards, world-class wineries, and a wide range of intensive cool-climate horticultural enterprises. Agriculture is the highest employment sector with 19 percent recorded in the 2016 Census (ABS). The region also has a growing tourism sector, complemented by recent urban industrial and residential development.

Fast Facts

Strathbogie Shire covers **330,326 hectares**

7,605 rateable properties

Population of approximately 10,650

2,546 tonnes of organic waste and recycling were diverted from landfill through kerbside waste collection

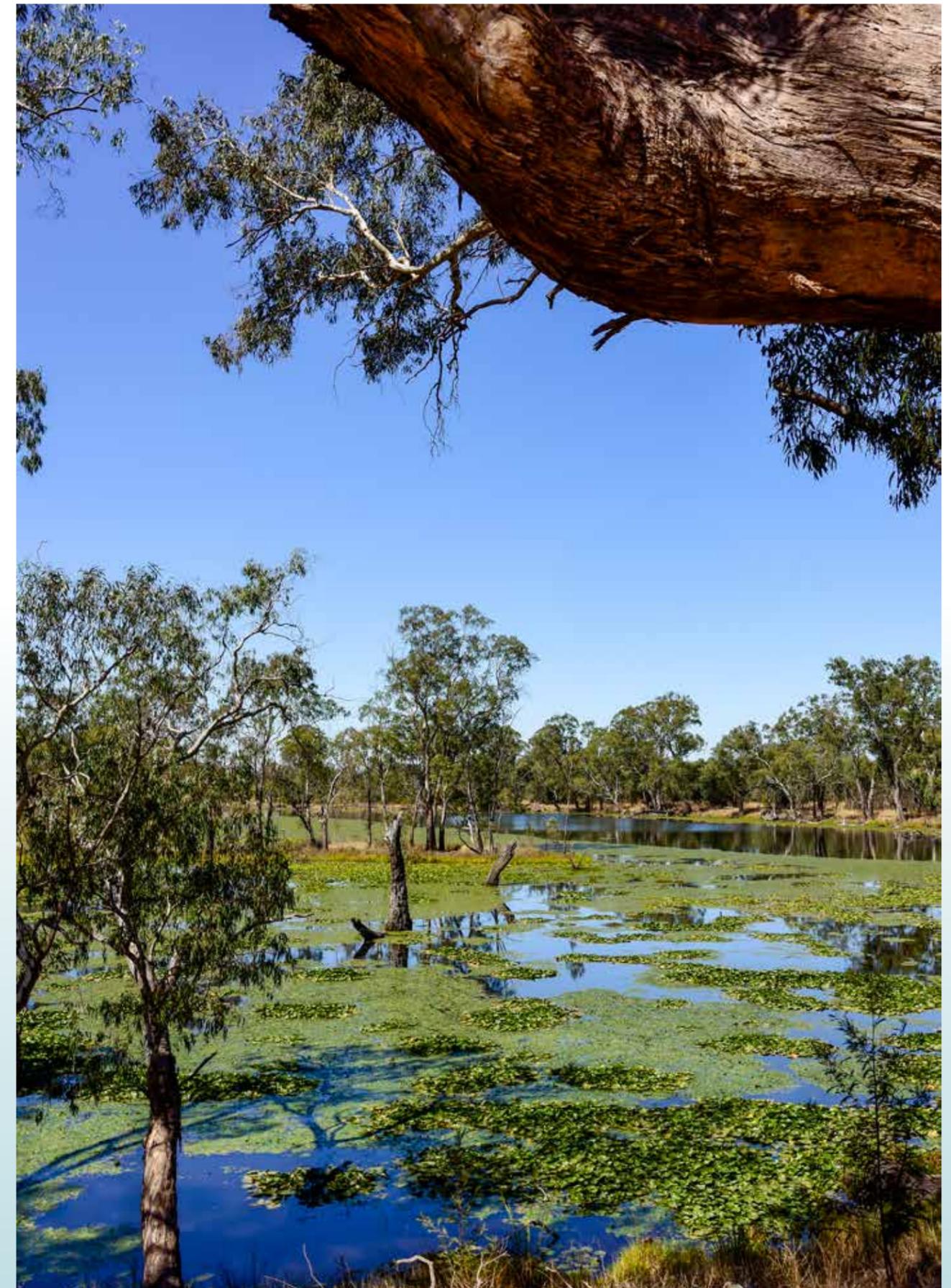
23,847 calls answered by Customer Service in 2020 financial year

19,626 visits to our four pools (Avenel, Euroa, Nagambie and Violet Town)

57.7kms of road were resealed

1.5kms of new footpath were created

4,577 people attended the Euroa Community Cinema to watch 59 movies. *The cinema had to close in March 2020 due to COVID-19 restrictions and is yet to re-open*



Message from our CEO Julie Salomon

I am excited and proud to present to you my first annual report message as Chief Executive Officer of Strathbogie Shire.

Since joining this incredible organisation, I've thoroughly enjoyed learning more about what makes this region so unique and welcoming.

It's so evident to me that our communities and people are our greatest assets.

As an organisation, our staff have shown a true commitment to the wellbeing of our community.

This year has certainly been like no other. Due to the ongoing pandemic, our region has seen job losses, businesses have faced unforeseen financial hardships, and we've all experienced disruptions to our daily lives. We've all been impacted in one way or another.

However, Strathbogie Shire's commitment to our core principles has guided our response.

Collectively, we have put our arm around our community. We have sought to listen, to understand their needs, and put in place important initiatives that provide genuine support for our communities during their time of need.

I am proud of the way in which our staff met the challenges of COVID-19 to ensure we maintained our service delivery. We quickly transitioned to a different way of working, delivering some of our programs online, while maintaining a face-to-face customer service for as long and we could.

We understand how important this service is to our community, so we opened our doors as quickly as we could to ensure the health and safety of our staff and our community.

These challenges we face are very real and we should be proud of our response.

With this in mind, I would like to take a moment to thank all our Council staff, as well as our Councillors for their important work and decision-making.

We're so very fortunate to have such an experienced, dedicated Council which understands, and works for, its community. We have gained so much from your experience, gained from many years of service to community.

Please join me in saying 'thank you'.

While we still face uncertain times ahead, I have faith that everyone within our organisation can support our community, so we can all come through this stronger.



Operational performance summary

The 2019-20 Annual Report measures Council's performance against what we said we would do in our Council Plan 2017-21. The following summarises Council's achievements and results in 2019-20 against our strategic goals. A more detailed report of the goals follows.

Strategic objective one: To enhance community health and wellbeing

• Upgrades to the Euroa Friendlies oval progressed with new turf, irrigation system and white picket fences. The \$210,000 upgrade has been funded through a \$100,000 grant from the Victorian Government's Community Sports Infrastructure Cricket Facilities Fund, in conjunction with over \$50,000 raised by the Friendlies Oval Committee and a \$50,000 contribution from Strathbogie Shire Council.	\$5,000	Euroa Croquet Club - <i>boundary replacement</i>
• The Youth Department celebrated summer holidays by offering free pool parties and movies.	\$5,000	Nagambie Mechanics Institute - <i>main hall painting</i>
• Three exercise stations were installed along the Euroa Apex Track through a collaborative project between Euroa Community Action Group, Euroa Memorial Oval Committee and Council.	\$5,000	Euroa Little Theatre - <i>internal window blinds for the schoolhouse</i>
	\$5,000	Euroa Lions Club - <i>Lions Park fencing</i>
	\$4,517	Bogarts - <i>Strathbogie Art Festival</i>
	\$4,476	Longwood Community Centre - <i>internal lighting</i>
	\$4,294	Avenel Bowling Club - <i>renew ditch banks around bowling green</i>
	\$4,000	Kelvin View Public Hall and Recreation Reserve Committee - <i>Kelvin View Hall upgrade</i>
	\$2,350	Euroa Environment Group - <i>Aboriginal Heritage Trail</i>
	\$3,797	Avenel Primary School - <i>Greenhouse Sustainability Project</i>
	\$3,000	Strathbogie Memorial Hall - <i>Public Address upgrade</i>
	\$2,691	Violet Town Bowls Club - <i>green refurbishment</i>
	\$2,691	Strathbogie Tableland Landcare - <i>Strathbogie Memorial Hall public potable water point</i>
	\$2,691	Euroa Environment Group - <i>Aboriginal Heritage Trail</i>
	\$1,628	Strathbogie Historical Group - <i>preserving, promoting and engaging with our local history and culture</i>
	\$1,120	Ruffy Artfest

The 2019-20 Community Grants program provided over \$79,000 for 20 different community projects across the Shire.

The following projects were funded in the 2019-20 Community Grants Program:

\$5,000	Violet Town & District Early Childhood Centre - <i>Violet Town Kindergarten facilities upgrade</i>
\$5,000	Violet Town Gallery Museum - <i>split systems for the Art Gallery</i>
\$5,000	Strathbogie Ranges Conservation Management Network - <i>Bioluminescence Art/Science Project</i>
\$5,000	Euroa Golf Club - <i>kitchen improvements</i>
\$5,000	Euroa Swimming Club - <i>Euroa Pool Arts Project</i>

Strategic objective two: To sustainably manage our natural and built environment

- A team of six young people representing the Strathbogie Shire's Youth Parliament team spent three days in the chambers of Victoria's State Parliament House and successfully passed a bill to ban single-use plastic bags at the 32nd YMCA Victoria Youth Parliament Program.
- Council received a \$50,000 grant in the first round of the Victorian Government's Local Government Energy Saver Program. Matching the \$50,000, Council installed 43kW of solar on four key buildings across the municipality, installed LED lighting and upgraded and automated many pumps across the Shire.
- Council adopted its Sustainable Strathbogie 2030 Strategy in August 2019, which provides a blueprint for its planning and operations on climate, lowering carbon emissions, water security, biodiversity, waste reduction and an active and connected Shire.

Strategic objective three: To provide quality infrastructure

- The Avenel Preschool upgrades were officially opened in October 2019 by The Hon. Jacynl Symes, Member for Northern Victoria and Minister for Regional Development, Agriculture and Resources.
- A new deep water boat ramp was installed at the Goulburn River, providing better and safer access to the waterways for boating and fishing. The \$494,795 project included a \$100,000 contribution from Council, a \$100,000 donation of the cost of the land from the Ryan family and a grant from the Victorian Government of \$294,795.
- The Euroa Maternal and Child Health building received a \$130,000 upgrade including a larger refurbished kitchen, new accessible toilet with baby change facilities, larger consultation room and administration office, new heating and cooling system, a repaint and new flooring.
- Nagambie Recreation Reserve received a \$250,000 revamp of their facilities. With a \$100,000 grant received from the State Government's Country Football and Netball Program, \$100,000 from Council, \$30,000 from Bendigo Bank's Nagambie Branch - and in-kind support from local user-groups - upgrades to the clubrooms have been combined community project.
- Nagambie Bowls Club installed a new synthetic green after wild birds damaged their facilities. The \$233,000 project was completed with extensive fundraising by the club, a Victorian Government grant of \$143,000 and an injection of money from Council, the Bendigo Bank Nagambie Branch and DPR Insurance.

Strategic objective four: To support and drive economic development

- Council released a rate-relief package in response to the hardships affecting our communities, from COVID-19 and the bushfires, offering extended due dates and freezing interest.
- In response to the COVID-19 pandemic, businesses were offered a refund of paid business registration fees and a waiver for the 2020-21 financial year.

Strategic objective five: To be a high-performing Shire

- After an extensive recruitment process, Julie Salomon was appointed the new Chief Executive Officer and commenced in January 2020.
- Significant process and policy improvements, focussing on public accountability and transparency, were adopted by Council in a comprehensive response to the Victorian Auditor General's Office report on the Fraud and Corruption Controls in Local Government. A community engagement program was undertaken around Council's response to the report's recommendations, including regular updates on our progress against the Action Plan adopted by Council to address deficiencies in our fraud and corruption control framework. This work provides the foundation to drive cultural change across the Council and the administration in relation to good governance.
- Council ensured it met all the new statutory requirements of the newly introduced Local Government Act 2020, including the preparation of a number of new policies and Council documents.
- Our response to the Covid 19 pandemic fast tracked the introduction of electronic workflows using Council's document management system to improve efficiencies and service, including invoicing, planning permit applications and a number of internal good governance procedures.
- Due to the resignation of two Councillors in December a countback was conducted by the Victorian Electoral Commission for the Lake Nagambie Ward, leading to the election of Cr Bob Gardner and a by election was held in the Honeysuckle Ward leading to the election of Cr Chris Raeburn.
- We also worked in partnership with the Victorian Electoral Commission in preparations for the October 2020 general election to maximise voter enrolment and promoted the role of Council to encourage a wide range of candidates to stand for election.
- During May and June, Strathbogie residents achieved an all-time record with waste contamination levels dropping below one per cent.

Advocating on behalf of our community

Council partnered with Respect Victoria and the Municipal Association of Victoria to advocate for gender equity and respect in its workplace and in the local community, promoting the theme Respect Women: Call It Out

Council has been working with ARTC and community representative group DesignEuroa for the Inland Rail project advocating on behalf of our community to ensure that ARTC listen to the requirements of our community and Council as the result of proposed train overpass infrastructure designs. This will be ongoing for at least the next 12 months.

On behalf on Euroa Health Inc. and in partnership with the Euroa RSL and with community support, Council advocated to the Victorian and Federal Government to receive funding to support a feasibility study for a Post-traumatic Stress Veterans Wellness Centre in vacant public buildings known as 'Amaroo' and 'Euroaville.' \$50,000 in funding was successfully granted by the Department of Infrastructure. Funds are yet to be received and go out to tender.

Council submitted two successful applications to the Federal Government

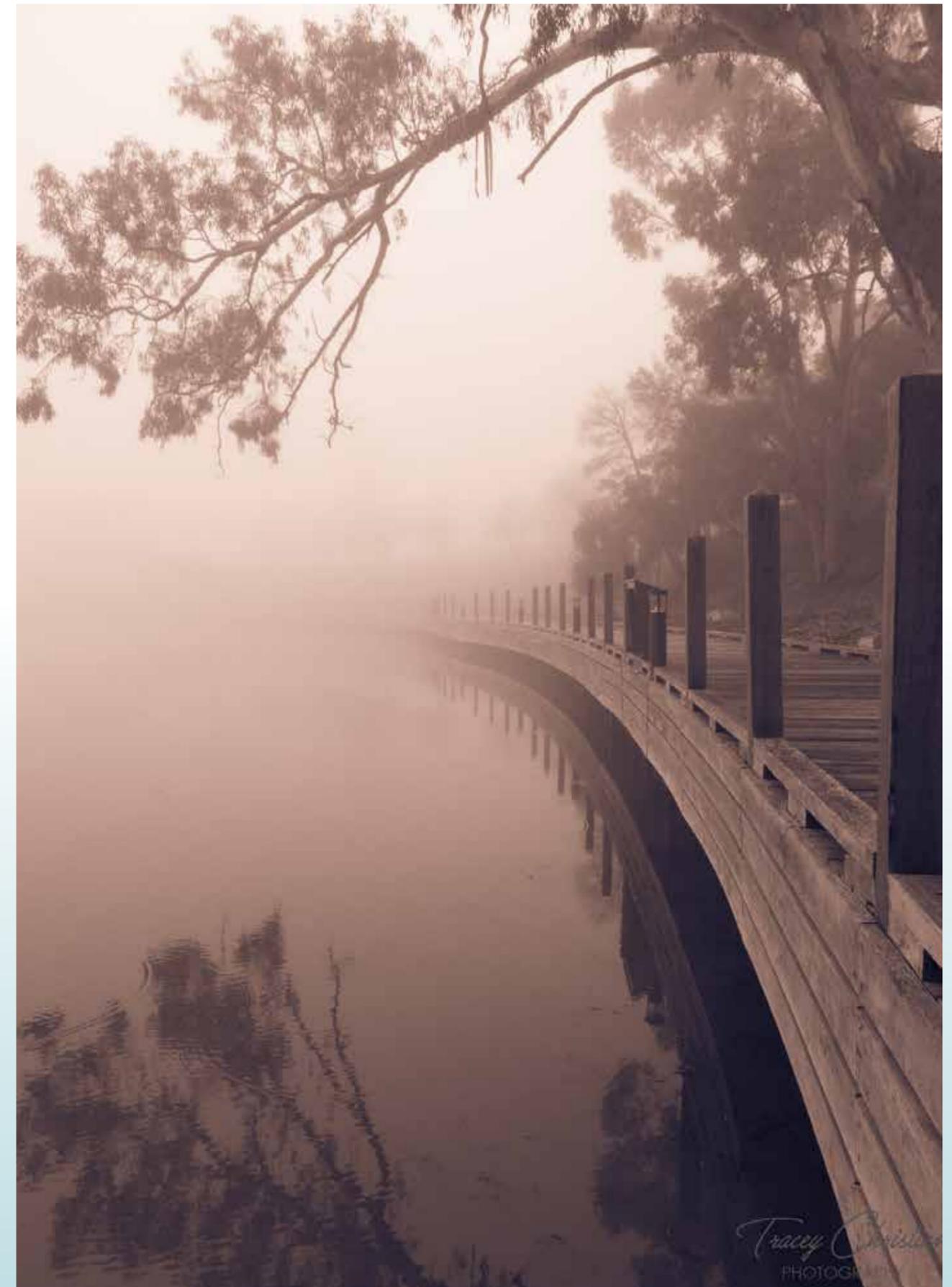
Blackspot Program for funding and infrastructure to improve domestic telecommunications access and services in the region. This resulted in new communication towers in Boho South and Graytown, respectively.

Council has continued to advocate to the Victorian Government and V/Line Rail and Coach Services for increased reliability of services and maintenance infrastructure in the region.

Council continue to advocate on behalf of the Nagambie community and surrounds for Victorian and Federal Government Funding to support tourism infrastructure around the Lake for connectivity and access to the Regatta Centre facilities, local landmarks and businesses.

Council advocated on behalf of the community to the Department of Education for the continuation of free bus services for Avenel and Nagambie students to attend Euroa Secondary College, upon changes to school zones. Council and the Euroa Secondary College Council were successful in obtaining approval from the Hon. James Merlino MP, Minister for Education.

*Council has advocated to support tourism and recreation in Nagambie.
Photographer: Tracey Christian*



Tracey Christian
PHOTOGRAPHY

Major capital works

[Highlights from the 2019-2020 capital works program](#)

Roads

Road resealing program

The road resealing program saw 57.7km of sealing work completed across the Shire's road network. The program was fully funded by the Federal Government's Roads to Recovery Program at a cost of \$835,467.

Gravel road re-sheet program

Council's gravel re-sheeting program completed about 21.3km of gravel re-sheeting at a cost of \$580,306.

Pavement rehabilitation works

The pavement rehabilitation program cost \$453,291, which included major reconstruction and pavement widening works on 1.6km of road, including the Nagambie Locksley Road and Euroa Strathbogie Road.

Shoulder sealing

The shoulder sealing program involved strengthening and sealing about 2.3km (both sides) of gravel shoulders, 1.5m wide, along the Longwood/Shepparton Road, providing a wider pavement and improved safety.

Footpaths

Extensive footpath works took place during with about 1.5km of new concrete footpath installed across various Shire locations, including:

- Garrett Street, Euroa
- Anderson Street, Euroa, at Euroa Primary School
- Kirkland Avenue, Euroa
- Goulburn Street, Nagambie
- Railway Street, Euroa
- Rowe Street, Euroa
- McGregor Avenue, Nagambie

Bridges

The Shire's bridge replacement and upgrade program continued into 2019-2020. Bridges that received major upgrades, allowing load limits to be effectively removed are:

\$243,000 Wattlevale Road Bridge #74

- New deck overlay for strength

\$234,000 Moormbool Road Bridge #134

- Fully replaced piles and new precast plank deck

\$279,000 Faithfulls Creek Bridge #6

- Fully replaced with piles and new pre-cast super "T" beams with cast-in-situ deck

Other

Avenel Recreation Reserve Skate Park

Stage 2 of works was completed through Pick My Project, where consultation and onsite meetings were maintained with the community/committee and primary school during the planning, design and construction phases.

Construction of the new skate park facility within a multi-use park has provided a place for all youth, where children and parents can meet and interact.

The new facility is a place where the community of Avenel can spend time every day or on school holidays, which gives the younger generation somewhere to enjoy being outdoors, getting fit and having fun.

Total cost: \$90,454.54

Exercise stations along the Seven Creeks

Through the collaborative efforts of Council, Euroa Community Action Group and the Euroa Memorial Oval Committee, three exercise stations were installed along the Apex track. Each station comprises two pieces of equipment such as an elliptical trainer, sit-up bench, chest press or leg press.

Financial performance summary

Long-term financial sustainability is a key objective of Council's financial plan. Strathbogie Shire continues to be in a strong financial position. A summary of our performance is outlined below. Detailed information relating to Council's financial performance is included with the Financial Statements and Performance Statement sections of this report.

Operating position

The balance sheet indicates our assets are more than adequate to meet liabilities, which is an important measure of liquidity. Debt levels continue to be closely managed with debt decreasing to \$0.37 million at 30 June 2020.

Debt levels remain low when comparing to Strathbogie Shire's asset base of \$280.82 million, providing borrowing capacity for the future.

The operating surplus was \$4.86 million and the underlying position remains sound.

Strathbogie Shire's revenue was \$33.41 million with rates and charges raising \$19.82 million, based on 7,605 assessments. The reliance on rate revenue in 2019-2020 was 59% compared with 54% in 2018-2019.

The strong financial position reflects sound financial management and Shire's commitment to infrastructure renewal and financial sustainability. It also strengthens our financial capacity to deliver on the objectives and strategies of the Council Plan and Strategic Resource Plan.

Net operating result

Strathbogie Shire achieved an operating surplus of \$4.86 million compared to a budgeted surplus of \$0.89 million. The major reason for this variance was unbudgeted grants and timing of other grants.

Capital expenditure

Strathbogie Shire invested \$6.80 million into capital works.

The capital works program funds the ongoing renewal of our existing physical assets of \$4.86 million, as well as the construction of some new community assets: \$0.34 million and the upgrade and expansion of existing assets \$1.60 million.

Infrastructure works included roads (\$3.22 million), bridges (\$0.21 million), parks and open space (\$1.21 million), drains (\$0.13 million), footpaths and cycleways (\$0.32 million), buildings (\$1.10 million).

Borrowings

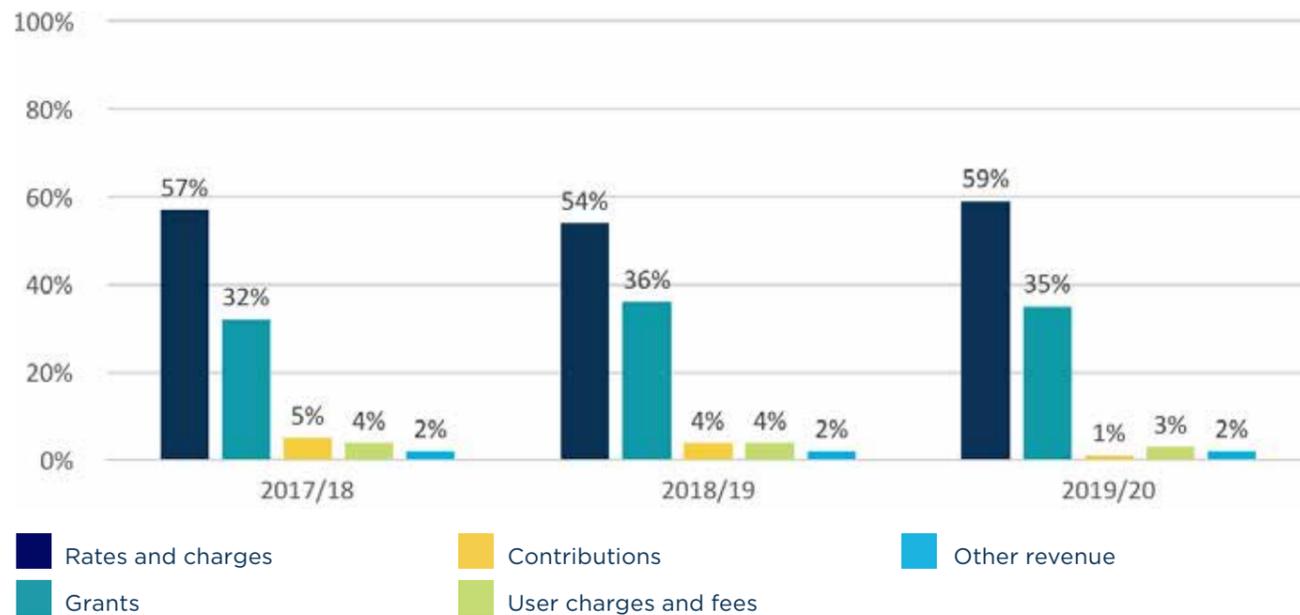
No new borrowings were undertaken in 2019-2020. The Shire has low levels of debt when comparing borrowings to non-current assets. The outstanding loan amount as at 30 June 2020 was \$0.37 million.

Cash and other financial assets

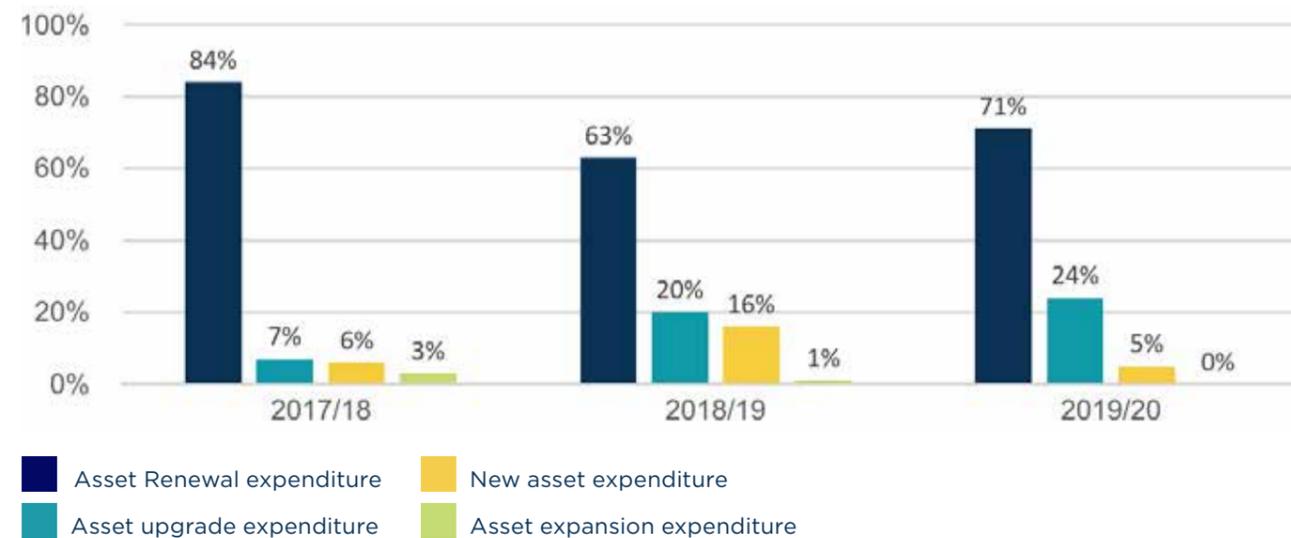
Cash and current assets at 30 June 2020 totalled \$21.12 million. Strathbogie Shire's liquidity position - (current assets / current liabilities) continues to be very strong with a ratio of 2.65:1. This ratio means we have \$2.65 of cash and current assets for every \$1.00 of current liabilities. This ratio is slightly higher than 2019 (2.15:1) due to lower expenditure on capital works, with funds carried over to complete projects in 2020/21.

Legislative restrictions on Strathbogie Shire's cash at 30 June 2020 total \$0.45 million. This statutory obligation means Strathbogie Shire must set aside sufficient cash to fund amounts held in trust and developer levies.

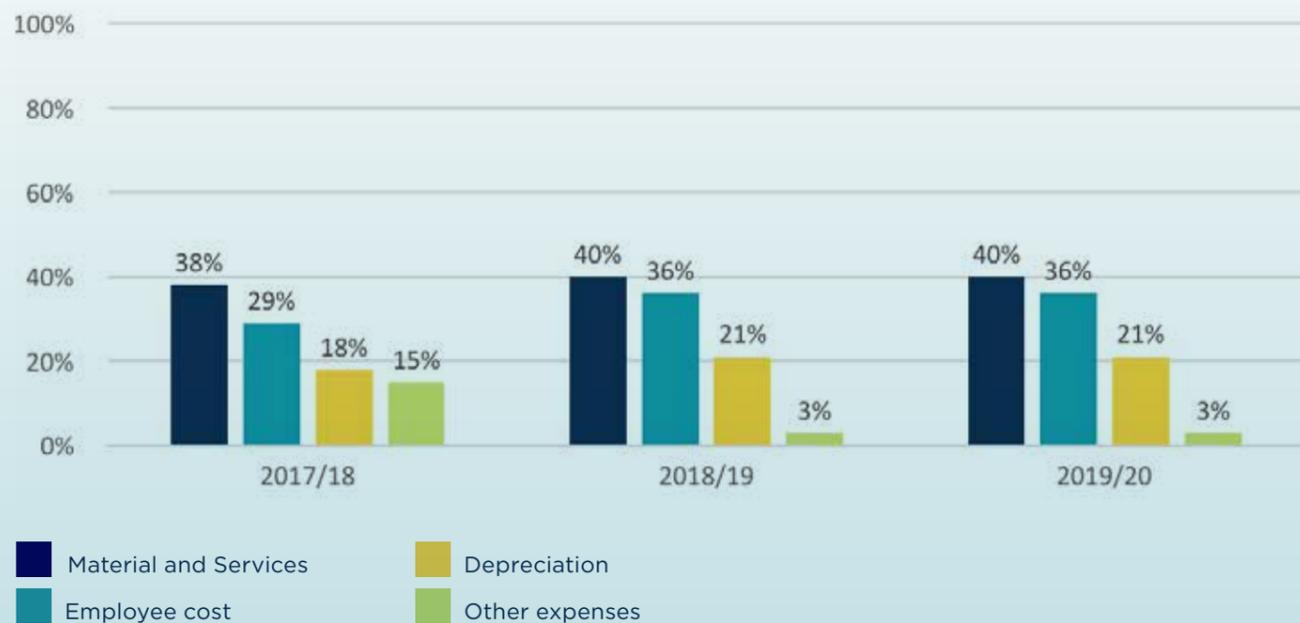
Income



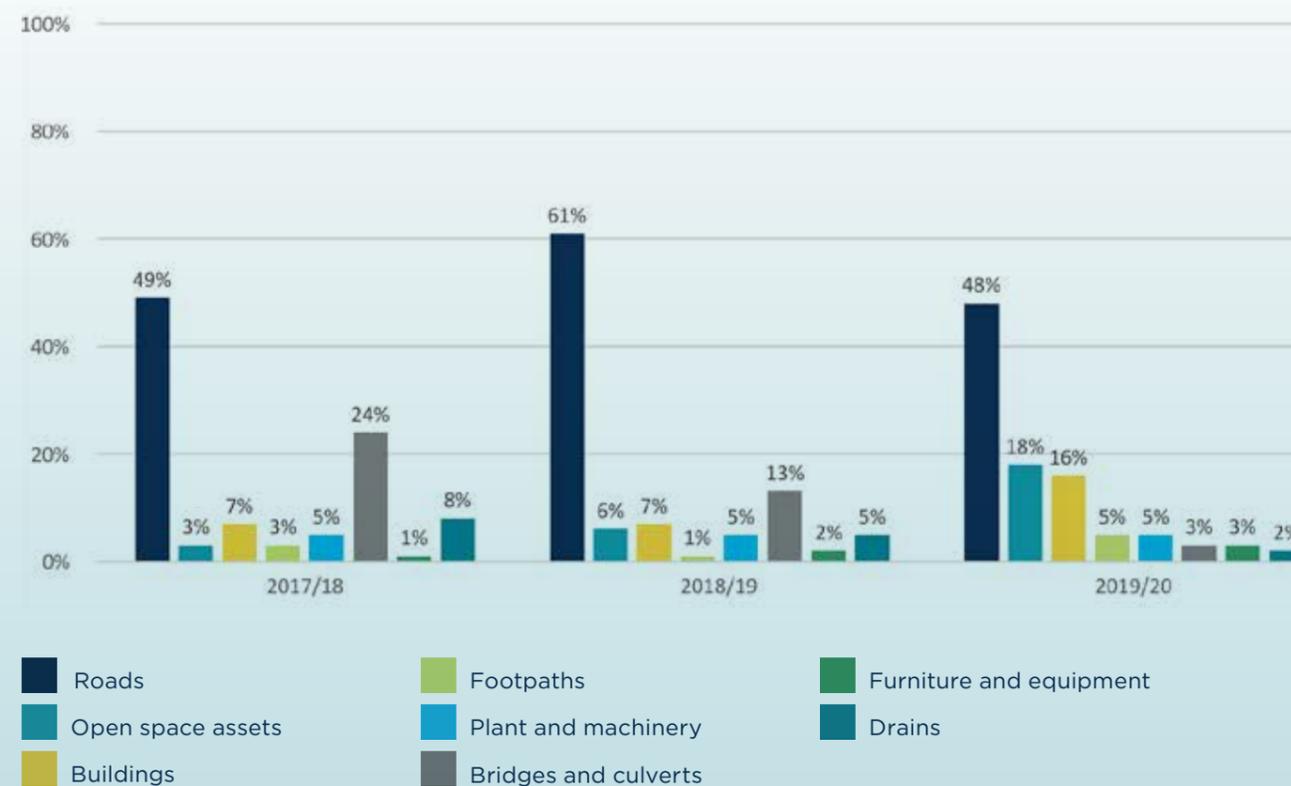
Capital Works Program



Expenditure



Capital Expenditure in Asset areas



Our Council



Our Councillors

The seven councillors are the elected representatives of all residents and ratepayers across the Shire. They have responsibility for setting the strategic direction for the municipality, policy development, identifying service standards and monitoring performance across the organisation.

The municipality is divided into five wards, represented by one Councillor in each ward and two Councillors in the Lake Nagambie and Seven Creeks wards.

Lake Nagambie Ward

Cr Amanda McClaren (Mayor)

Elected 15 November 2016

0409 700 958 amanda.mcclaren@strathbogie.vic.gov.au



Debra Bower

Elected 15 November 2016

Resigned December 2019



Robert Gardner

Elected 28 January 2020

0428 525 146 robert.gardner@strathbogie.vic.gov.au



Honeysuckle Creek Ward

Kate Stothers

Elected 15 November 2016

Resigned 6 December 2019



Cr Chris Raeburn

Elected 31 March 2020

0439 903 993 chris.raeburn@strathbogie.vic.gov.au



Hughes Creek Ward

Malcolm Little

Elected 15 November 2016

0407 549 020 malcolm.little@strathbogie.vic.gov.au



Mount Wombat Ward

Alistair Thomson

Elected 15 November 2016

0427 335 766 alistair.thomson@strathbogie.vic.gov.au



Seven Creeks Ward

John Mason

Elected 15 November 2016

0429 898 473 john.mason@strathbogie.vic.gov.au



Graeme 'Mick' Williams

Elected 15 November 2016

0417 317 151 mick.williams@strathbogie.vic.gov.au



*Image previous page – Pastoral view from Kelvin View Rd, Strathbogie Tableland.
Photographer: Sean Mathews*

Our People



Our executive leadership team



Chief Executive Officer

Julie Salomon

Julie commenced with Strathbogie Shire in January 2020, having over 26 years' service in both local and state government. This experience includes leadership and management of a diverse range of community services, public policy, strategic planning, community and stakeholder engagement, community development, facility development and sound governance.

Previously, Julie spent over seven years as Director Community Development and Services at City of Monash. Before that, she was Director Communities at Greater Shepparton City Council for over two years, including a six-month period as Acting Chief Executive Officer.

Julie holds qualifications in Management, Business and Leadership, Graduate Certificate Applied Business, Business Administration and Management, Graduate Diploma in Special Education and Teaching, and Diploma of Teaching, Education and Training. She also became a graduate of the Australian Institute of Company Directors in 2019.



Director Community and Planning

Phil Howard

Phil first started with Strathbogie Shire in 2006 and was appointed Director of Sustainable Development in November 2011. He later became Deputy CEO as part of his role.

Phil has worked in local government for over 20 years and has held roles in finance, human resources, corporate services, planning and economic development.

Before local government, Phil was an accountant for ANZ Bank. Phil is a full member of the Planning Institute of Australia (PIA) and past board member (VIC Division), and is also a member of Local Government Professionals, Victorian Planning & Environmental Law Association (VPELA), and member of the Goulburn Valley Regional Collaborative Alliance.

Phil has qualifications in Master of Arts (Community Development), Graduate Diploma Rural Regional Planning, Graduate Diploma in Management, Associate Diploma in Local Government, Diploma of Management, Graduate Alpine Valleys Leadership Program.



Director Corporate Operations

David Roff

David commenced with Strathbogie Shire in September 2016 and has over 40 years of experience in local government in NSW and Victoria. This experience has been in small rural councils, metropolitan Sydney, the Victorian growth corridor and a Victorian regional city.

Between 2007 and 2015, he was Chief Executive Officer of Mansfield Shire Council and prior to that spent six years as Director Business Services with Wodonga City Council.

David holds qualifications in local government



Executive Manager - People and Culture

Chris Dube

Chris commenced with the Strathbogie Shire in 2018 as the leader of Human Resources, having worked for a decade in high-volume manufacturing. Chris holds qualifications in Mentoring and Leadership, Human Resources, Business Management and Advanced Injury Management. Outside of work, Chris balances his football with golf and continues to volunteer for the Local Learning and Employment Networks.

Chris' main function is to leverage outcomes towards increased People and Culture.



Executive Manager - Communications and Engagement

Kristin Favaloro

Kristin commenced with the Strathbogie Shire in May 2020, having more than 20 years' experience in communications, engagement and journalism. Most recently, Kristin spent six years at Goulburn Murray Water leading the communications, media and engagement department. Prior to that, Kristin was the editor of the Shepparton News.

Having grown up in Shepparton and now

residing in Euroa with her young family, Kristin is a passionate contributor to the local community's success. She has been strongly involved in advocating for the region and has been a Director on the Board of The Work Group since 2013. Kristin is a champion of engagement practice and lives and works by a pretty simple ethos, which is 'people should be involved in the decisions that affect them'.



Executive Manager - Governance and Customer Service

Dawn Bray

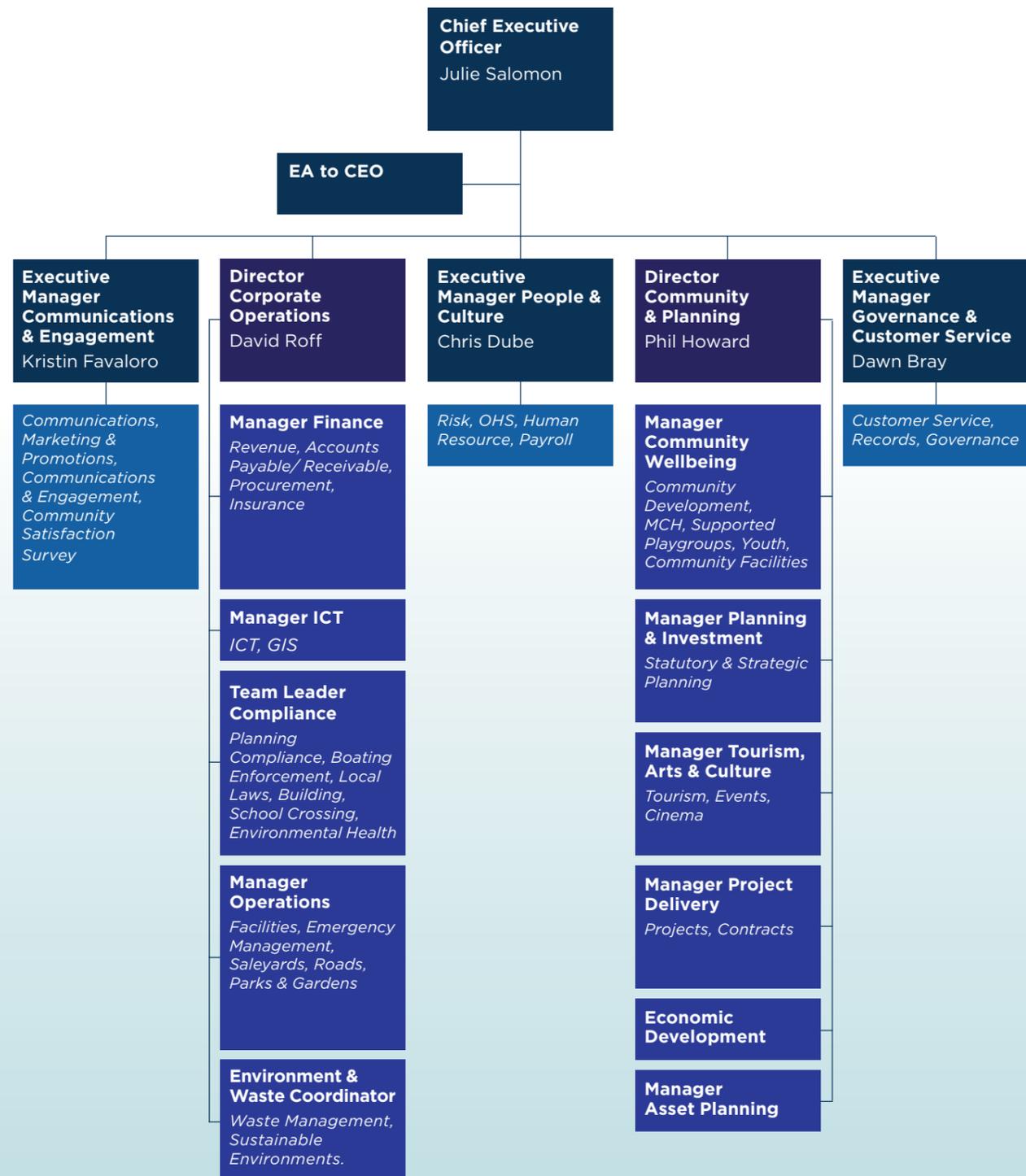
Dawn joined Strathbogie Shire in November 2018 on what was originally a six-month role as Manager of Governance. Dawn played such a vital role in reinvigorating corporate governance processes that she has remained, now as Executive Manager of Governance and Customer Service.

Dawn has over 25 years experience in local government with expertise in areas such as governance, planning, customer service, compliance, project management, leadership and corporate services. Her current focus is implementing the changes from the new Local Government Act 2020 and onboarding Councillors for the Shire.

Dawn wishes to continue to drive good governance throughout the organisation to ensure we are a model for best practice, transparency and integrity.

Our organisation

Strathbogie Shire’s organisational structure comprises five divisions: Community and Planning, Corporate Operations, Governance and Customer Service, People and Culture and Communications and Engagement. Each division is led by a Director or Executive Manager who reports to the Chief Executive Officer (CEO). The CEO is directly accountable to the Mayor and Councillors, who are elected by Strathbogie shire residents.



Our staff

A summary of the number of full time equivalent (FTE) Council staff by organisational structure, employment type and gender are set out below as at 30 June 2020.

Employment Type Gender	Executive FTE	Corporate Operations	Community & Planning	People & Culture	Communications & Engagement	Governance & Customer Service	Total FTE
Permanent Full Time (F)	2	12	10	2	2	4	32
Permanent Full Time (M)		46	6	1			53
Permanent Part Time (F)		9	7	2	1	5	24
Permanent Part Time (M)		3	1				4
Casual (F)		12				1	13
Casual (M)		7	1				8
Total	2	89	25	5	3	10	134

A summary of the number of full time equivalent (FTE) Council staff categorised by employment classification and gender is set out below as at 30 June 2020.

Structure Classification	Band 1 FTE	Band 2 FTE	Band 3 FTE	Band 4 FTE	Band 5 FTE	Band 6 FTE	Band 7 FTE	Band 8 FTE	All other FTE	Total FTE
Permanent Full Time (F)			3	2	3	7	3	1	12	31
Permanent Full Time (M)			26	7	5	3	3		8	52
Permanent Part Time (F)		2		10	5	5	1		3	26
Permanent Part Time (M)		3				1				4
Casual (F)	5	6	1	1						13
Casual (M)	4	2		1					1	8
Total	9	13	30	21	13	16	7	1	24	134

People and culture

Equal Employment Opportunity Program

Strathbogie Shire's Equal Opportunity Program supports a work environment that is free from discrimination. The Shire has in place an organisational-wide policy framework which outlines the expected standards of behaviour based on requirements under the Equal Opportunity Act 2010. Equal opportunity principles are integral to employment practices, policies, procedures and day-to-day operations of the organisation.

Council takes proactive, reasonable and proportionate measures to eliminate any form of discrimination against persons or groups of persons with the protected attributes as prescribed under the relevant Equal Opportunity and Antidiscrimination Legislation. Council recognises employees on the basis of their abilities, qualifications and skills and is committed to achieving a positive culture in the area of equal opportunity.

Strathbogie Shire embraces diversity and supports social responsibility in a variety of ways, including:

- Cultural and Ceremonial Leave (up to 10 days unpaid leave per year)
- Leave with make-up pay for participation in Armed Forces Reserves
- Up to four days paid leave for service with Emergency Services per emergency, and 50 percent pay for periods five days or longer
- Jury Service reimbursement for attendance
- Option to request for Flexible Working Arrangements or Work from Home Arrangements
- Parental Leave Kit

Enterprise Bargaining Agreement

The 2019-2023 Enterprise Bargaining Agreement took effect from 20 January 2020 and was successfully negotiated with the Enterprise Bargaining Committee, comprising

management representatives, nominated workplace delegates (union and non-union) and union officials. The agreement spans a four-year period and included productivity improvements and reasonable wage increases consistent with CPI and the long-term financial plan of the Shire.

Professional development

To ensure a highly skilled and productive workforce, the Shire provides many avenues for professional development and personal growth. Opportunities to improve the capacity of the organisation and enhance skill levels are considered against identified strategic objectives and assessment of training needs, which are identified through individual performance and development plans.

Opportunities for flexible learning such as e-learning, facilitated workshops and mentoring are considered valuable and greatly benefit the individual staff member and Strathbogie Shire. Apprenticeships and traineeships schemes are effectively utilised within the Shire and provide an additional career pathway.

Study assistance is offered for employees undertaking relevant tertiary courses.

Free from Violence Project

Strathbogie Shire participated in the Free from Violence Project. The project focused on empowering our organisation to understand gender stereotypes that can unintentionally promote family violence and also empower our leaders to support employees who are dealing with family violence. All employees attended workshops regarding gender stereotypes and family violence.

A Staff Disclosure of Family Violence CEO Directive was created, and we also added additional clauses in our Enterprise Bargaining Agreement to further support employees who are dealing with family violence – employees can receive up to 20 days Family Violence leave per financial year.

Recognition of length of service

Strathbogie Shire values the important role its staff play in the success of the organisation. During 2019-2020 numerous staff service awards were presented in recognition of key service milestones. These included:

- One employee for 35 years
- Two employees for 30 years
- Three employees for 25 years
- Two employees for 15 years
- Three employees for 10 years
- Two employees for 5 years

Health and wellbeing

Strathbogie Shire is committed to ensuring the health, safety and wellbeing of all those associated with the Shire. This responsibility is achieved through allocating the necessary resources for practicable and identifiable health and safety purposes. The organisation views the health and safety of employees as a priority and employs measures to achieve compliance with relevant legislation and best practice workplace safety.

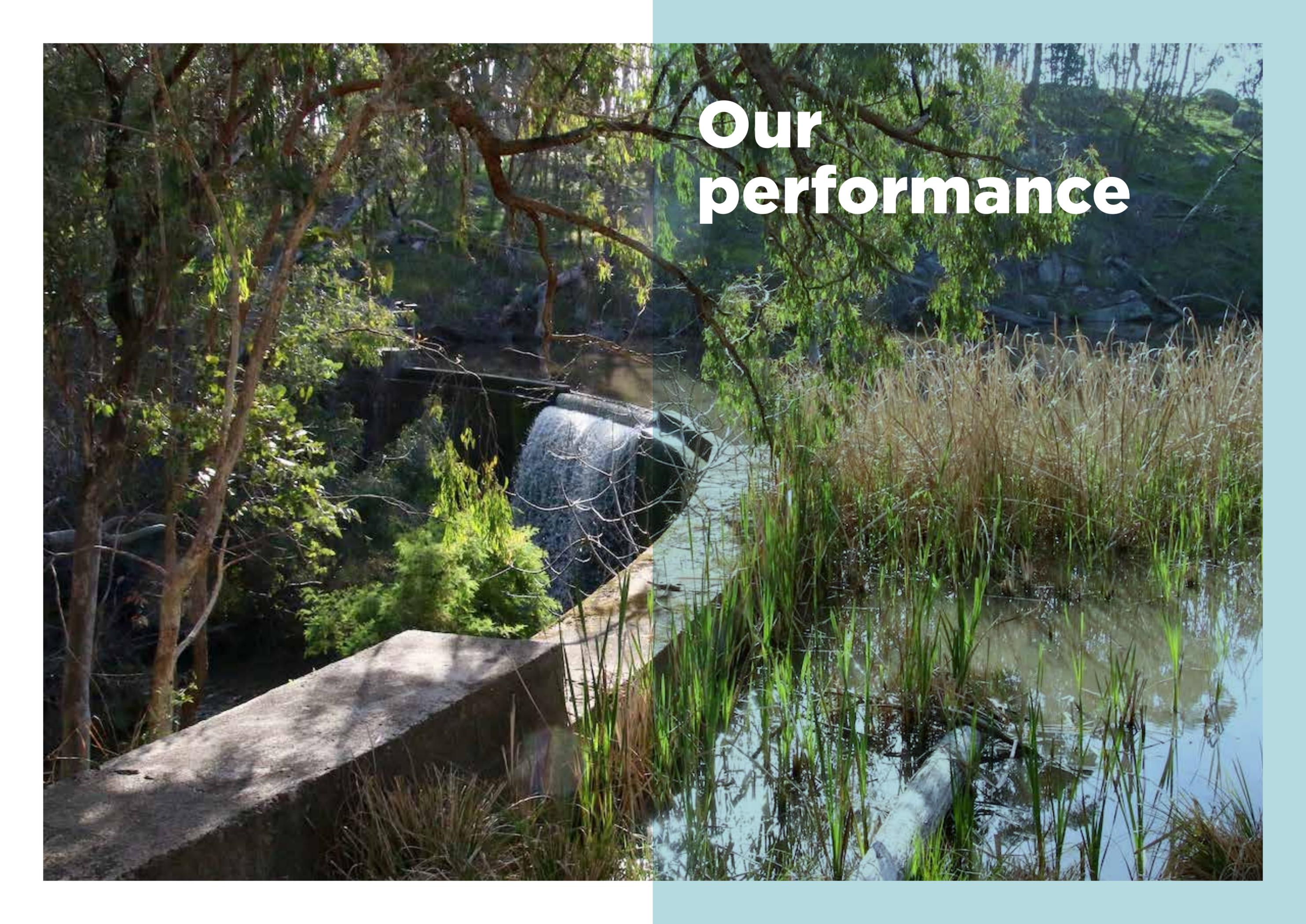
Strathbogie Shire offers many programs to support health and wellbeing including:

- **Providing Contact Officers** – A Contact Officer holds a volunteer position that provides staff with information relating to real or perceived issues of discrimination, harassment and bullying. The role of a Contact Officer does not remove responsibility from the designated officer in a grievance resolution procedure, or other prescribed processes.
- **Work Healthy Australia** – Work Healthy Australia specialises in the identification, treatment, and resolution of musculoskeletal injuries to any part of the body using a range of treatment modalities including soft tissue manipulation, joint and spinal manipulation, dry needling, wet needling and exercise rehabilitation. They attend onsite every Monday and employees can book appointments for workplace or non-workplace injuries.

- **Employee Assistance Program (EAP) counselling service** – The Employee Assistance Program (EAP) is a free and confidential counselling service offered by employers to their employees to support their wellbeing in the workplace and in their personal lives. The service offers initial support and assistance to individuals and groups of employees who have personal and/or work-related issues that may impact on their well-being, work performance, safety, individual and workplace morale and psychological health.
- **Local Government Health Insurance Plans** – The Local Government Employees (LGE) Health Plan is an exclusive corporate health insurance arrangement for local government and water industry employees. It is an initiative of Victoria's peak local government body, the Municipal Association of Victoria (MAV) in conjunction with specialist health cover adviser, Choosewell Corporate.
- The Shire annually offers all employees free flu vaccinations. This is a non-compulsory service.

Volunteers

Strathbogie Shire engages over 80 volunteers to assist in the running of the Euroa Community Cinema and the Visitor Information Centres in both Euroa and Nagambie. We recognise the importance of our volunteers in keeping these services running within our community and host annual volunteer appreciation events to celebrate their huge support.



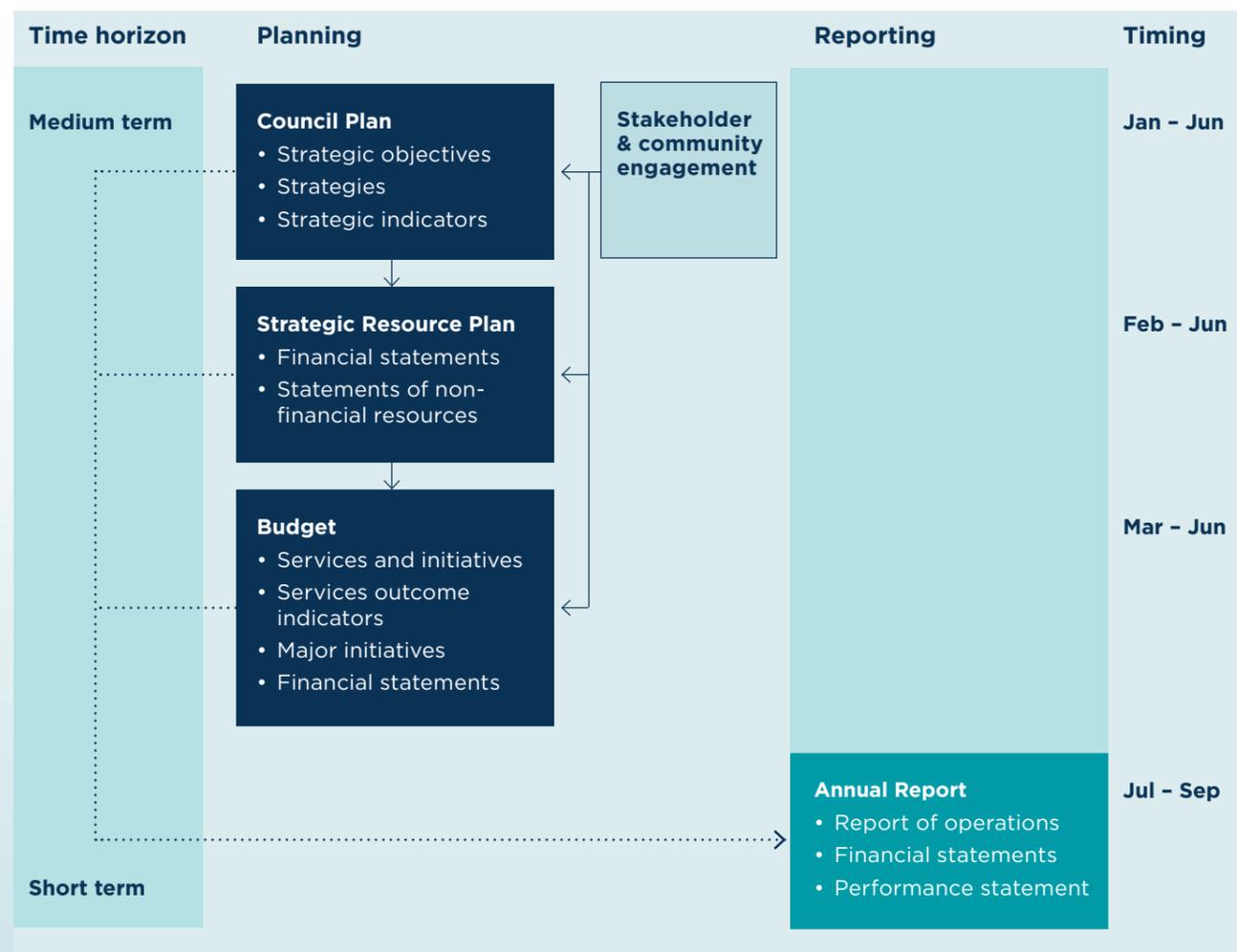
Our performance

Planning and Accountability Framework

The Planning and Accountability Framework is found in part six of the Local Government Act 1989 (The Act). The Act requires councils to prepare the following planning and reporting documents:

- A budget for each financial year.
- An Annual Report in respect of each financial year.

The following diagram shows the relationships between the key planning and reporting documents that make up the planning and accountability framework for local government. It also shows that there are opportunities for community and stakeholder input and feedback at each stage of the planning and reporting cycle.



- A Council Plan within the six months after each general election or by 30 June, whichever is later.
- A Strategic Resource Plan for a period of at least four years and include this in the Council Plan.

Council Plan

The Council Plan 2017 - 2021 includes strategic goals, strategies for achieving these for the four-year period, strategic indicators for monitoring achievement of the strategic objectives and a Strategic Resource Plan.

The following are the five strategic goals as detailed in the Council Plan:

1. To enhance community health and wellbeing

Council continues to provide significant support for the community's wellbeing through provision of libraries, maternal and child health, animal management, environmental health, emergency and youth services, as well as maintenance of parks and reserves.

2. To sustainably manage our natural and built environment

This area provides resourcing in the areas of sustainability and waste management and initiatives related to land care, waste minimisation, climate change and enhancement of natural assets.

3. To provide quality infrastructure

Maintenance of a significant network of roads and bridges is a critical function of the Shire, as is reviewing the assets the Shire holds to ensure they remain relevant to service needs. Buildings and swimming pools are also important to the community.

4. To support and drive economic development

This is an important part of the Shire's operations as it seeks to stimulate and maintain economic development throughout the Shire. This encompasses areas such as digital economy, investment, attraction, land use, planning and tourism.

5. To be a high-performing Shire

This includes the areas of Council and governance, customer service, financial management and advocacy.

Performance

The Shire's performance for the 2019 - 2020 year has been reported against each strategic objective to demonstrate how the Shire is performing in achieving the 2017 - 2021 Council Plan.

Performance has been measured as follows:

- Results achieved in relation to the strategic indicators in the Council Plan
- Progress in relation to the major initiatives identified in the budget
- Services funded in the budget and the persons or sections of the community who are provided those services
- Results against the prescribed service performance indicators and measures

Strategic objective one: To enhance community health and wellbeing

Strategic Indicators

The following statement reviews the performance of the Shire against the Council Plan including results achieved in relation to the strategic indicators included in the Council Plan.

Plan for improved community health, wellbeing and liveability

Strategic Indicator / Measure	Results	Comments
Work with the Strathbogie Health and Community Services Consortium to deliver relevant projects	20%	Euroa Health providers meetings are held regularly to collaborate on COVID-19 response to pandemic. Council continues discussions with Nagambie Health regarding a potential joint venture to improve facilities and services in Nagambie.
Work with Euroa Health in the development of a Wellness Centre	25%	Grant funding has been extended for feasibility study into alternate sites, costs and potential funding sources – project to recommence November 2020.
Deliver initiatives which will support the prevention of family violence including achievement of accreditation as a workplace under the White Ribbon Australia Workplace Accreditation Program	75%	Implemented a stronger focus on supporting families during COVID-19 through the Maternal and Child Health program due to the potential increased social isolation and the financial impacts on families during this time. Maternal and Child Health Nurses continue to implement additional visits to support families who have disclosed family violence or those who the nurses have clinically assessed as possibly experiencing family violence.
Complete the expansion of the Avenel Pre-School and Maternal and Child Health project	100%	Project completed.
Continue to review and implement priorities from the Walking Tracks and Trails Strategy and the Footpath Strategy (including but not limited to the Apex Walking Track Euroa)	75%	The Tracks and Trails Advisory Group has reconvened under the new structure and is making progress with the 11 priority tracks and trails as originally identified. It is expected that six of these will be nearing completion by the beginning of 2020. As of January 2020, 10 of the 13 priority tracks and trails have been mapped and a list of required works has been scoped. A list of priorities to be implemented under the drought funding program has been drawn up, with a consultant being employed to assist with this delivery. Funding was secured from Federal Government under the Drought-Grants to make repairs to some of the priority tracks and trails as identified. Expressions of Interest for works to be carried out closed on the 17 April 2020 and works will be carried out once awarded. Redeveloped maps are completed and being reviewed for printing for 10 of the priority tracks and trails identified. Capital works are still underway on some of the tracks identified as priorities. A lot of media coverage has been given for the tracks and trails that have been mapped and information for these is found on our website at www.strathbogie.vic.gov.au/tourism/tourism/tracksandtrails

Implement the 2017–2021 Liveability Plan 12 month Action Plans	70%	The five priority areas that currently guide our health and wellbeing actions are: <ul style="list-style-type: none"> • Stronger together • Respectful relationships • Healthy lifestyle • Rural environment • Health systems Year two Annual Action Plan has been reviewed. Plans are underway to develop next 12-month Action Plan for year three. Attended the DEWLP “Tackling Climate Change in Municipal Public Health and Wellbeing Planning” forum – discussions on climate change and its impact on health and wellbeing. Climate Change is a new priority in the next planning cycle. All preschool services are delivering funded 3yr old kindergarten programs. Council has received Kindergarten Infrastructure Service Planning (KISP) funds to undertake planning for future requirements of the early years sector in coming years.
Improve recreation spaces within the Shire using the Play and Recreation Framework as a reference document	35%	Framework endorsed by Council on 15 October, 2019. Engagement conducted in Nagambie and funding application submitted on 19 December, 2019. Work commenced on consultation for Violet Town. Further work to occur on prioritising balance of Shire in 2020.
Work with the community to implement provision of dogs off leash areas	60%	Negotiations continue with the Euroa Agricultural Society Inc regarding locating the Dogs Off Leash area adjacent to the Euroa Showgrounds
Promote responsible pet ownership through the implementation of Council's Domestic Animal Management Plan 2017-2021	75%	Implementation of the Domestic Animal Management Plan is ongoing throughout the year.
Review Council's Community and Meeting Procedure Local Law – to reflect contemporary issues	20%	Funding in 2019-2020 Budget for review. Council endorsed process at December 2019 meeting including make-up of Working Group.
In conjunction with Nagambie Health progress Nagambie Healthy Ageing Hub concept and seek funding for delivery	15%	Nagambie Health is providing an allied health service provision on site. Council briefed on project 8 October, 2019. Discussions occurring with Nagambie Health Council and Senior Citizens for further development of the site.

Engage and participate with the community on Council / Community initiatives

Strategic Indicator / Measure	Results	Comments
Continue to support local community planning processes across the Shire	80%	<p>2019 - 2020 Community Planning program Acquittals are being submitted.</p> <p>Some projects and initiatives have been impacted by COVID-19 and some groups have requested extensions for acquittals.</p> <p>Provision of support continues to be provided as required/requested to all groups.</p>
Seek to implement priority projects from Community Action Group Plans	65%	<p>All Community Planning Reference Groups have completed their Community Action Plans and these are all available on the website.</p> <p>2019-2020 Allocations have been distributed to the Community Planning Reference Groups.</p> <p>Groups are implementing projects aligned with their plans. Some impact to projects has become evident due to COVID-19 but liaising with groups to determine this.</p> <p>2020-2021 Community Planning Program to be discussed and direction moving forward post COVID-19 - in the October 2020 Council meeting cycle.</p>
Progress Youth Hub for Nagambie	90%	<p>Awaiting modem installation for WiFi capabilities.</p> <p>Fully accessible toilet pod has been installed and is essential to the delivery of the program in this location.</p> <p>Consideration for the addition of a double garage to be built on site to store youth trailer and a vehicle, as well as acting as a covered live performance area for events and projects.</p> <p>Youth activities are being delivered online due to COVID-19.</p> <p>Application with the Victorian Government for the development of the surrounding area of the Nagambie Youth Hub - announcement anticipated end of July 2020.</p>

Enhance community resilience, including supporting and increasing the participation of volunteers

Strategic Indicator / Measure	Results	Comments
Work with registered Indigenous representative groups to support settlement agreements	20%	Collaboration with Taungurung Land and Waters Council occurred via the Working for Victoria State Government Initiative, in addition to consultation for the planned 2020 Rural Councils Victoria Summit, which has been delayed due to COVID-19 restrictions.
Work with State Government to seek funding from Transport for Victoria for audit of transport services within the Shire	100%	Further investigation required to understand funding options for our Shire.
Recognise and profile the importance of volunteers in our local community	100%	<p>VIC Volunteers are invited to participate in 'familis' of our region and other areas in the GRVT at no cost to themselves. There is also an annual yearly summit that takes place in recognition of their services.</p> <p>Further recognition opportunities are also being investigated for other volunteers (i.e. Euroa Cinema).</p> <p>During COVID-19 lockdown, we have been engaging with our 83 volunteers through the Visitor Information Centres and the Euroa Cinema via newsletter, email and phone calls.</p>
Investigate provision of emergency power at relief centres within the Shire	30%	Investigations continue to identify funding for backup power for identified relief centres.
Continue consultation with fire brigade captains to explore Fire Management Planning and CFA Best Practice	50%	Consultations are progressing.
Implement revised Community Grants program	100%	<p>2019 - 2020 Community Grants Program</p> <p>Arts and Culture - five projects Environment & Sustainability - one project Facilities and Infrastructure - 14 projects</p> <p>Acquittals are being submitted now and most projects have been completed. Those impacted by COVID-19 have had extensions approved.</p> <p>2019 - 2020 Senior Citizens Grants</p> <p>Senior Citizens annual grant allocations have been processed. Acquittals currently being received.</p> <p>2019 - 2020 Seniors Festival Funding</p> <p>Two out of five submissions received; Euroa Third Age Club Inc and Longwood Senior Citizens. Nagambie Senior Citizens, Avenel Senior Citizens, Violet Town Senior Citizens groups did not submit applications for the 2019 - 2020 year.</p>

Support and drive community, arts and cultural events

Strategic Indicator / Measure	Results	Comments
Develop and implement equitable Shire-wide youth programs that focus on cultural activities, training and development, pathways to employment and civic participation	80%	<p>Youth Program commenced at the beginning of the year with a number of projects and events planned.</p> <p>With the impact of COVID-19, the youth program had to diversify and transition to an online platform delivery.</p> <p>Weekly online activities included:</p> <ul style="list-style-type: none"> • Ukes2U – weekly sessions learning to play the ukulele • Don't cut your finger off' – weekly cooking sessions • Virtual Grooves – weekly online dance sessions <p>Youth programs across Councils in the North East continue meeting remotely to promote more opportunities to young people in the wider region during COVID-19 under the banner of '45 degrees north'.</p> <p>The first of these was a Live Stream Jam – many local young bands from across the North East all delivering a live stream setoff music from their homes, this included our young local band; Splinter Kiss'</p>
Complete and prioritise actions from Arts and Culture Strategy including artwork on Nagambie Water Tower	80%	<p>The 2019–2023 Arts and Culture strategy and associated 12 Month Action Plan have been completed and were adopted at the Ordinary Council Meeting 17 December, 2019. The Shire is in the process of prioritising the actions in the 12 Month Action plan and identifying what stage these actions are at.</p> <p>A working group has been set up as a result of meetings undertaken by the Tourism, Arts and Culture Advisory Group to drive the Nagambie Water Tower project. Appropriate funding is also being investigated for this project as the amount allocated in the budget has been identified as most likely insufficient.</p> <p>The 12 Month Action Plan has been prioritised. However, a halt has occurred on planned activities during COVID-19.</p> <p>We are investigating the opportunity to employ an officer as part of the Working for Victoria initiative to assist with projects and initiatives in both the Arts and Culture Action Plan and as a result of feedback from the community that have resulted from the COVID-19 situation</p>

Major Initiatives

Complete the expansion of the Avenel Pre School and Maternal and Child Health Centre

The new-and-improved Avenel Pre School was opened in October 2019. The \$566,000 upgrade included extensions to the buildings, reconfiguration of the entrance, a new reception area, a consultation room and a meeting room. It also included the provision of a second playroom, all-abilities toilet and a new kitchen.

A dedicated maternal and child health room was also part of the upgrade, allowing for a maternal and child health nurse to be stationed at the new facility on a part-time basis.

Promote responsible pet ownership through the implementation of Council's Domestic Animal Management Plan 2017 – 2021

Council is continuing to implement the Domestic Animal Management Plan. While this has been constrained due to COVID-19 in the last quarter of the year, our rangers continue to promote responsible pet ownership and follow up unregistered animals throughout the Shire.

Review Council's Community and Meeting Procedure Local Laws

The review of Council's Community Local Law commenced with an internal review of the community local law as well as a review of complaints received and how the Shire's requirements are consistent/inconsistent with those of our neighbouring municipalities.

Other initiatives

Progress Youth Hub for Nagambie

2019-2020 has seen the redevelopment of the old Nagambie Croquet Club at 26 Filson Street, which is now the site of the Nagambie Youth Hub. Works included a full internal fit-out including upgraded lighting, a new kitchen, a small workspace and an open-plan lounge with large flat screen television, table tennis table and free Wi-Fi. An external free-standing accessible bathroom was also installed on the site. Strathbogie Shire's youth development officer, Andy Bell, says; "We can't wait to run our programs out of our new Youth Hub in Nagambie, as well as in Euroa, once COVID-19 restrictions are eased".

A funding application was submitted for an outdoor activity space on the site.

Continue consultation with fire brigade captains to explore Fire Management Planning and CFA Best Practice

As part of its membership, the Municipal Fire Management Planning Committee (MFMP) incorporates all three CFA group officers within the Strathbogie Shire as well as CFA representatives from District 22.

The MFMP meets quarterly and the schedule for roadside spraying has been reviewed by the MFMP with some additional roads added to the program.

It also has been acknowledged the program will need to commence earlier in the 2020-2021 year and officers of the Council have prepared a revised contract specification to reflect the committee's requirements.

The MFMP membership has been expanded to include an experienced local CFA captain to further support the committee's objectives.

Services

The following table provides information in relation to the services funded in the 2019-2020 and the persons or sections of the community who are provided the service.

Service area	Description of services provided	Expenditure (Revenue) Net cost \$'000
Environmental Health	This service protects the community's health and wellbeing by coordinating food safety support programs, Tobacco Act activities, immunisation programs and public health promotions. The service also works to rectify any public health concerns relating to unreasonable noise emissions, housing standards and pest controls.	21 <u>197</u> (176)
Animal Management and Local Laws	This service provides for the management of domestic animals (mostly dogs and cats) through registration, education and enforcement where necessary. It is also concerned with issues that arise out of the application of Council's Community Local Laws.	260 <u>136</u> 124
Libraries and Arts	This service provides public library services at three locations and a community cinema in Euroa. It provides a customer-focused service that caters for the cultural, educational and recreational needs of residents and provides a focal point for the community where they can meet, relax and enjoy the facilities and services offered.	288 <u>64</u> 224
Community Grants and Recreational Planning	The Community Grants Program is one way that Council supports the community to directly contribute to the Council vision of a Shire that drives and supports investment for population growth, shared wealth and wellbeing. The goals of the grants program are to: <ul style="list-style-type: none"> • promote self-help within communities • build skills and strengths in the community • encourage members of the community to participate in community building activities • support positive relationships between the community and Council • support the community to contribute to the Council vision. 	292 <u>3</u> 289
Maternal and Child Health	This service provides family-oriented, visiting and centre-based maternal and child health services.	224 <u>220</u> 4
Youth Services	This service provides youth facilities and a range of recreation and education-based youth activities. Programs include FReeZA, National Youth Week and L2P driving experience program.	301 <u>90</u> 211
Street Lighting	This service enhances public safety and community access by providing street lighting in urban areas.	140 - 140
Parks and Reserves	This service is responsible for the management, maintenance and safety of parks and gardens, sporting grounds and playground facilities.	1607 - 1607
Boating Operations and Safety	Council is the boating authority for Nagambie Lakes. This service area provides patrol services, maintenance of boating infrastructure and support for on-water recreational activities.	94 <u>12</u> 82

Community Development	This program oversees activities in the areas of access and inclusion, committee of management support, community planning and other activities designed to strengthen communities.	236 <u>68</u> 168
Emergency Services	This service includes financial assistance for the SES, fire prevention activities and flood risk planning and mitigation.	141 <u>106</u> 35
School Crossing Supervisor	This program provides supervision of school crossings in Euroa and Nagambie before and after school hours.	- <u>25</u> 25



Basketball half court, Euroa - funded by Community Grants

Service performance indicators

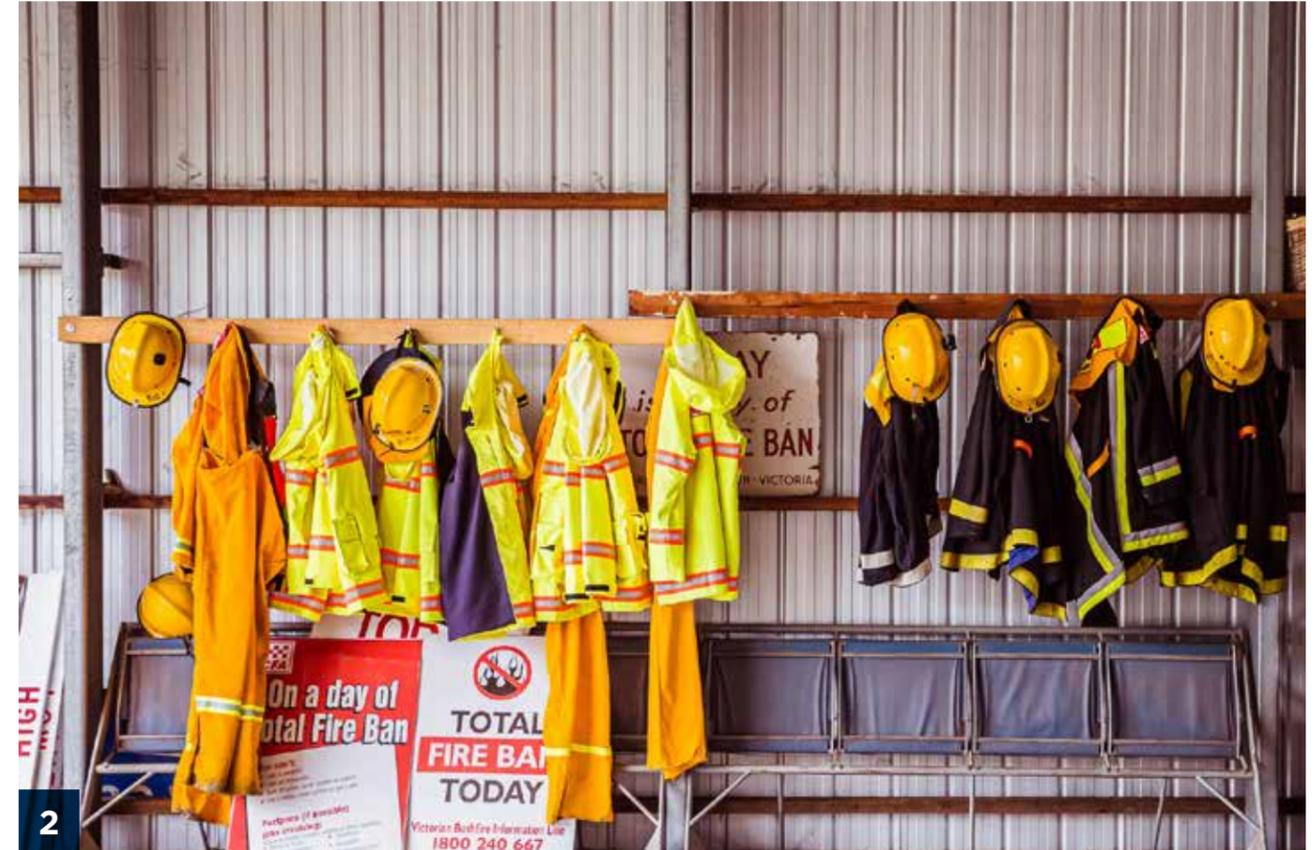
The following table provides the results of the prescribed service performance indicators and measures, including explanation of material variations.

Service/Indicator/Measure	Results				Notes
	2017	2018	2019	2020	
Animal Management					
Timeliness <i>Time taken to action animal management requests</i> [Number of days between receipt and first response action for all animal management requests / Number of animal management requests]	1.26	1.19	4.40	1.90	An increase from 1 to 4 days in 2019 for data collection made it difficult to maintain a faster response time.
Service Standard <i>Animals reclaimed</i> [Number of animals reclaimed / Number of animals collected] x 100	17.44%	24.55%	14.23%	23.95%	
Service Cost <i>Cost of animal management service</i> [Direct cost of the animal management service / Number of registered animals]	\$13.92	\$13.29	\$12.74	\$14.57	2 months of contractor payment not accrued 18/19 paid in 19/20
Health and Safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	New in 2020	New in 2020	New in 2020	0	
Food Safety					
Timeliness <i>Time taken to action food complaints</i> [Number of days between receipt of first response action for all food complaints / Number of food complaints]	1.67	1.20	3.20	1.00	
Service Standard <i>Food safety assessments</i> [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	102.27%	100%	84.78%	98.96%	
Service Cost <i>Cost of food safety service</i> [Direct cost of the food safety service / Number of food premises registered or notified in accordance with the Food Act 1984]	\$599.95	\$585.23	\$750.45	\$587.30	Service now provided in house, reduced cost and more refined allocation of administration support costs.

Health and Safety <i>Critical and major non-compliance outcome notifications</i> [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x 100	0%	0%	100%	86.67%	13 out of 15 followed up.
Libraries and Arts					
Utilisation <i>Library collection usage</i> [Number of library collection items loans / Number of library collection items]	2.20	2.27	2.38	1.87	Reduced due to COVID-19 library closures.
Resource Standard <i>Standard of library collection</i> [Number of library collection items purchased in the last 5 years / Number of library collection items] x 100	46.79%	49.45%	50.73%	52.53%	
Service Cost <i>Cost of library service</i> [Direct cost of the library service / Number of visits]	\$13.85	\$17.82	\$18.65	\$18.36	
Participation <i>Active library members</i> [Number of active library members / Municipal population] x 100%	23.11%	22.30%	23.32%	24.17%	
Maternal and Child Health					
Participation <i>Participation in the MCH service</i> [Number of children who attended the MCH service at least once in the year/ Number of children enrolled in the service/100]	83.87%	77.87%	73.96%	73.94%	COVID-19 restrictions including social distancing and isolation may have delayed and lowered participation from some residents.
Service Standard <i>Infant enrolments in the MCH service</i> [Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received] x 100	100%	100%	101.11%	100%	
Service Cost <i>Cost of the MCH service</i> [Cost of the MCH service / Hours worked by MCH nurse]	\$76.32	\$80.40	\$79.23	\$81.76	
Participation <i>Participation in MCH service</i> [Number of children who attend the MCH service at least once (in a year) / Number of children enrolled in the MCH service] x 100	83.87%	77.87%	73.96%	73.94%	
Participation <i>Participation in 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] x 100	100%	92.31%	87.50%	87.18%	It is believed that due to a low indigenous population in the region, participation with MCH services may be affected by the age of the child who no longer require this service.



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1. The Official Avenel Preschool and MCH Upgrade Opening was attended by the Hon. Jaclyn Symes MP, Member for Northern Victoria, Councillors, educators, children and the community in October 2019. *Photographed by Katherine Crosbie.*

2. Council continues to consult with fire brigade captains, CFA Officers and Group Officers of the Municipal Fire Management Planning Committee

(MFMPC) for programs including roadside spraying and Fire Management Planning. *Photographed by Sarah Frank Photography.*

3. Facilities are now available for use at 'Glass Square' the Nagambie Youth Hub as part of the redevelopment and refurbishment works of Council buildings on Filson Street in Nagambie. *Photographed by Andy Bell.*

Strategic objective two: To sustainably manage our natural and built environment

Strategic Indicators

The following statement reviews the performance of Strathbogie Shire against the Council Plan, including results achieved in relation to the strategic indicators included in the Council Plan.

To promote and support sustainable environmental initiatives

Strategic Indicator / Measure	Results	Comments
Continue to support Landcare groups and Catchment Management networks to target weed and pest animal management on roadsides	85%	Victorian Government funding received and distributed among local Landcare groups to target weeds and pests on Shire roadsides. 2019-2020 grant to be acquitted by 31 July 2020 and is on track to be fully acquitted by this date. Also worked on a joint project with Ag Vic in April 2020 to target rabbits in the Strathbogie Tablelands.
Pursue 'zero waste' events across the Shire through use of Shire Event Policy and Approvals process	50%	A draft Waste Wise Events guide has been developed and is in final design stages. Once this has been finalised and all comments included, it will be presented to Assembly of Councillors for comment and final approval. Waste staff have worked closely with the Events Team to ensure this guide fits into the approvals process.
Support sustainable energy initiatives in the Strathbogie Shire in conjunction with the Sustainable Development Reference Group	50%	This initiative is included in the SS2030 Strategy as an ongoing action. Council is involved with the ongoing Local Government Renewable Power Purchase Agreement with 41 other Victorian councils to purchase Council energy from renewable sources. Council has installed solar panels on most of its high energy use facilities. Leading the Carbon Crunching Councils project with Benalla, Murrindindi and Towong Shires to implement a shared carbon inventory, bill checking and payment service for utilities.
Support a community clean-up targeting Lake Nagambie and surrounds	80%	A clean-up was undertaken in partnership with Goulburn Murray Water on Sunday 1 March, 2020. Residents and visitors collected 15 bags of rubbish around Lake Nagambie on the day. Further opportunities for partnering with GMW to minimise waste in Lake Nagambie are being explored.
As part of Municipal Strategic Statement and Planning Scheme review, explore opportunities for native vegetation protection overlays on roadsides	100%	Investigations for the best way to manage and protect native vegetation on roadsides were undertaken. Clause 52.17, Native Vegetation, provides state-wide protection for native vegetation both within roadsides and on private land. Applying a separate overlay was considered, however, overlays should only be utilised when the existing controls in the Planning Scheme do not provide enough protection. As roadsides are either managed by the Shire, DELWP or VicRoads, and all are government bodies, the provisions in relation to vegetation removal under Clause 52.17 require that a planning permit is generally required and an overlay would not provide additional protections.
Continue to support the Goulburn Broken Greenhouse Alliance	100%	Support for Goulburn Broken Greenhouse Alliance continues with membership renewed.

Initiate a community-council working group which will frame the overarching objectives and charter for a sub-committee for the Transition of the Strathbogie Forest to alternative uses	50%	A working group has been formed to oversee the framing and new charter for a sub-committee that will work on the Transition of the Strathbogie Forest to alternative uses. It comprises two councillors, TL Climate Change & Environment and two community members from the Strathbogie Ranges area. The group's thinking is well progressed on useful directions of the sub-committee.
Implement the recommendations of the Shire's Domestic Wastewater Management Plan, including working with Goulburn Valley Water to explore small town sewer schemes	10%	Project commencing

Mitigate and adapt to a changing climate

Strategic Indicator / Measure	Results	Comments
Develop a Council Policy on Climate Change	50%	Following the adoption of Sustainable Strathbogie 2030, organisational policies on climate change, energy efficiency and procurement are now progressing for council review.
Implement initiatives contained within the Sustainable Strathbogie 2030 Plan	25%	No budget was allocated to Sustainable Strathbogie 2030 for the 2019-2020 financial year
Hold a flood mitigation / drainage update meeting in Violet Town to form a consensus on future actions after completion of works in 2018/19 Budget	0%	The Violet Town Flood Mitigation/Drainage meeting was held on Wednesday 9th May 2018, at the Violet Town Football/Netball Clubrooms. Council reviewed a Levee Scheme to reduce the properties flooded however Council suspended work due to risks arising from the Water Act liability framework. Instead, Council committed funding to the following impacted sites from the December 2016 flash flooding within the 2018/19 Budget: - <ul style="list-style-type: none"> • High Street • Marys Lane and Lily Street • Primrose Street
Include urban forestry into urban design frameworks to increase the shaded environment of our townships and implement pilot program	50%	Pilot program completed in Euroa and future street tree programs rolling out. Captured within the Euroa Township document and Nagambie Growth Management Plan.
Develop a program to assist rural landholders in land management – strategies for climate change, planning controls, vegetation management	10%	Programs being developed for implementation. Properties that have a Trust for Nature Covenant are able to access a rebate in the rating year of 2019-2020. This will be investigated by officers, now that it is complete, and a report to Council for the expansion of the program and to encourage more properties to undertake a Covenant on their property.

Protect and enhance our natural environmental assets

Strategic Indicator / Measure	Results	Comments
Implement tree management guidelines	40%	Draft guidelines have been written and will be presented to Council at a later date.
Investigate controls to preserve landscapes as part of planning scheme review	100%	As part of the planning scheme review, undertaken in March 2019, a landscape study was identified as a lower priority item for strategic planning for the municipality. This work will be considered when the higher priority strategic work has been completed.
Continue to assist new landowners in land management through New Residents booklet, website and other means	20%	Content is placed on the website under 'Environment; and various areas to assist new landowners. Council has previously partnered with the Arboretum, Landcare and CMN to assist with courses for small-lot landowners new to the municipality and will continue to do so.

Protect and enhance our built environment

Strategic Indicator / Measure	Results	Comments
Implement priority actions from the Stormwater Management Plan	30%	<p>The following projects from the Stormwater Management Plan have been included within the 2019–2020 Capital Works Budget:</p> <ul style="list-style-type: none"> Upgrade three existing retarding basins at McGregor Avenue with a pump system (solar). Preliminary design has commenced, looking into feasible options. Review 1 in 5 Stage storm event of the existing stormwater pipe network. Scope of works and request for quotation to be issued in February 2020. Boundary Rd South Future Open Drain from White St to Sevens Creek, including flood flap at outlet. Finalising discussion with service authorities for requirements for alterations to existing services prior to going out to tender. Town centre outlet to Lake Nagambie. Reviewing requirements for Gross Pollutant Trap prior to tendering. Scobie Street catchment - construct open drain. Discussions to be held with GBCMA in late January regarding outlet requirements for drain prior to construction. Develop written procedures for town maintenance. Draft procedures written, internal consultation in progress.
Identify priority areas for additional street lighting and opportunities to implement additional street lighting	55%	Street and Public Place Lighting Policy adopted by Council at September 2019 meeting. The Township Road Lighting LUX Surveys have now been completed. The report reflecting the recent adopted policy requirements has been provided for analysis to determine priority areas for additional street lighting and opportunities to implement additional street lighting.

Provide efficient and effective waste management programs

Strategic Indicator / Measure	Results	Comments
Implement the Waste Management Strategy	75%	Implementation of the Waste Management Strategy continues and is ongoing. This also has been supported by the adoption by Council of the Southern Goulburn Valley Waste and Resource Education Strategy 2019–2021.
Work with Goulburn-Murray Water to review and implement improved waste collection techniques on our waterways	50%	Discussions regarding options continue with Goulburn-Murray Water.

Major Initiatives

Implement the recommendations of Council's Domestic Wastewater Management Plan, including working with Goulburn Murray Water to explore small town sewer schemes.

Officers have reviewed documentation and contacted authorities in relation to moving this forward. As part of the replacement of existing wastewater service at Euroa Tennis Club, sewer extension has been investigated which will be of significant benefit to the northern side of Euroa, where sections are unsewered.

Implement initiatives contained within the Sustainable Strathbogie 2030 Plan.

Council has worked to reduce its impact on the environment. This includes internal projects funded through the State Government's Local Government Energy Saver program to install energy-efficient lighting and heat pump hot water systems in Council's main office. We have also installed solar systems on the Euroa Depot and Euroa Library.

Our residents continue to maintain their high diversion from landfill and low contamination in our green and recycling bins. We have one of the highest diversions in the state.

Other initiatives

Implement the Waste Management Strategy

Staff continue to implement the Waste Management Strategy and have undertaken actions such as reviewing and adopting the updated Kerbside Collections Policy, promoting the e-waste ban and implementing the Southern Goulburn Valley Regional Waste Education Strategy.

Implement the Tree Management guidelines

Implementation of guidelines is anticipated at a later date. Tree management plan is in draft form, and is yet to be adopted by Council.

Services

The following statement provides information in relation to the services funded in the 2019–2020 budget and the persons or sections of the community who are provided that service

Service area	Description of services provided	Expenditure (Revenue) Net Cost \$
Sustainable Management	Strathbogie Shire is committed to responsible and sustainable management of our natural resources. Programs and this service area include pests and weeds program, implementation of the Shire's environmental strategy and Carbon Footprint Assessment program.	271 <u>130</u> 141
Waste Management	This service includes kerbside garbage and recycling collections, transfer station operations and waste management of public areas.	2,595 <u>2,644</u> (49)

Service performance indicators

The following table provides the results of the prescribed service performance indicators and measures including explanation of material variations.

Service / Indicator / Measure	Results				Notes
	2017	2018	2019	2020	
Waste Collection					
Satisfaction <i>Kerbside bin collection requests</i> [Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households] x 100	32.86	73.73	44.82	73.83	<i>Changes in the kerbside collection route mapping has resulted in service efficiency and less missed collections.</i>
Service Standard <i>Kerbside collection bins missed</i> [Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts] x 10,000	2.39	2.77	2.71	2.82	
Service Costs <i>Costs of kerbside garbage bin collection service</i> [Direct cost of the kerbside garbage bin service / Number of kerbside garbage bins]	\$93.81	\$92.85	\$96.09	\$100.64	
Service Cost <i>Cost of kerbside recyclables collection service</i> [Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins]	\$87.54	\$87.68	\$111.85	\$120.88	<i>The service cost for kerbside recyclables has increased due to industry and supply chain funding changes with the collection contractor.</i>
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] x 100	70.30%	69.75%	69.41%	70.27%	



Sculpture at Euroa Aboretum



1. The Energy Saver Program delivered in partnership with Sustainability Victoria is one of Council's Sustainable Strathbogie 2030 initiatives implemented to drive electricity usage and costs down in over forty buildings across the Shire. The Hon. Lily D'Ambrosio, MP visited the Nagambie Lakes Regatta Centre to see this project delivery.

2. Strathbogie Shire Council and residents are extremely proud of the consistent and successful diversion rates of green waste organics from the kerbside garbage collection as part of the

Waste Management Strategy and Sustainable Strathbogie 2030 Strategy.
Photographed by Clare Allen.

3. The construction of the pedestrian bridge linking the Euroa Memorial Oval and Friendlies Reserve is a welcome new asset to provide a secure creek crossing to access the surrounding recreational facilities.
Photographed by Strathbogie Shire Council.

Strategic objective three: To provide quality infrastructure

Strategic Indicators

The following statement reviews the performance of the Shire against the Council Plan, including results achieved in relation to the strategic indicators included in the Council Plan.

Provide best-practice management of all assets including roads, bridges and facilities

Strategic Indicator / Measure	Results	Comments
Investigate and implement asset rationalisation	30%	Investigation and implementation of asset rationalisation continues and is ongoing. New Asset disposal policy developed.
Investigate options in consultation with the community for foot-paths, kerb and channelling and parking at Queen, Belmont and the east end of Bank Street, Avenel	70%	Community consultation on the concept design has been completed, taking into consideration a number of prospective new developments within the area (residential / commercial) that will have a direct affect to the intersections along Bank Street and the feedback collated has been incorporated within the detailed design. The design has been provisionally approved by Rural Roads Victoria, subject to further detailed discussions with the rail authorities. In the interim, Council shall be undertaking drainage improvement works within the 2020/21 financial year and undertake further road, intersection and footpath improvement works in unison with further developments within the area.
Target major capital works projects to seek government funding to reduce the Shire's costs	50%	Officers continue to apply for grant funding to supplement costs of capital projects. Funding secured to date includes: <ul style="list-style-type: none"> Drought Community Extension Round once \$1,000,000.00 (extended to 31 December, 2020) Inland Rail Interface Improvement Program Mangalore Business Case submission Figure undisclosed (approx. \$1.5 million) Working for Victoria Program \$2.2 million Sports Recreation Victoria- Local Sporting Infrastructure Grants- Nagambie Active Hub \$250,000. This project is currently out for tender. Drought Community Extension Funding Round 2 \$1,000,000 Grant applications that were unsuccessful include <ul style="list-style-type: none"> Sports Recreation Victoria - Community Sports Infrastructure Stimulus Program - Lake Nagambie Infrastructure Development Program - applied for \$9,959,889 for this project (total project cost \$10,959,559) Department of Justice - Community Safety Infrastructure Grants - funding to implement CCTV cameras to the Euroa Sale Yards and metal art 'story' panels to the foot bridge over the Seven's Creek which will provide enhanced safety by acting as a barrier to falling through the railing gap, which will also include collaboration from the Taungurung and community.

Undertake condition assessment of public toilets and develop a strategy for future development	0%	Strategy to be developed in 2020.
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Provide passive and active recreational facilities

Strategic Indicator / Measure	Results	Comments
Investigate and consult in relation to providing link bridge at Rockies over the Seven Creeks and over Hughes Creek between Kent Street and Watson Street in Avenel.	50%	Review of Rockies bridge project and scoping has commenced and Hughes Creek bridge preparation work to be finalised in 2020-2021.
Construct pedestrian bridge linking Memorial Oval Euroa and Friendlies Reserve	100%	Complete.
Continue to investigate funding opportunities for female change facilities at Euroa Memorial Oval	0%	New Facilities and Recreation Officer appointed and this will be part of their brief for 2020-2021.
Prioritise and implement the outcomes of the Community Pools Strategy	10%	Budget provision allocated. New Facilities and Recreation Officer appointed and this will be part of their brief for 2020-2021. Funding provided in 20/21 to scope a splash park in Nagambie with delivery in 2021/22.
In partnership with the community, support the priorities of the Nagambie Recreation Reserve Master Plan	30%	New Facilities and Recreation Officer appointed and this will be part of their brief for 2020-2021.
Review Recreational Facilities for female friendly and all-abilities access	0%	New Facilities and Recreation Officer appointed and this will be part of their brief for 2020-2021.
Work with Friendlies Reserve Committee for Management to identify future funding models for upgrades	100%	Friendlies Oval Upgrade Completed.
Review Violet Town Recreation Reserve Master Plan	0%	New Facilities and Recreation Officer appointed and this will be part of their brief for 2020-2021.
Seek Stage 2 funding for Stage 2 boardwalk Seven Creeks Park	100%	Project completed including Stage 2.

Major Initiatives

Target major capital works projects to seek funding to reduce Council's costs

Council is reviewing all of the relevant accessible Grant Funding opportunities to determine suitability towards current and future projects. Council has also set aside funding to match any required joint funding requirements.

Prioritise and implement the outcomes of the Community Pools Strategy

The Community Pools Strategy Report has been considered by Council and finalised. All recommended outcomes have been listed for the consideration of projects within Council's Long-Term Financial Plan.

Other initiatives

Undertake condition assessment of the Shire's public toilets and develop a strategy for progressive improvement

A condition assessment of the Shire's public toilets was undertaken during February 2020. Improvements to existing public toilets have been prioritised based on the condition assessments and maintenance identified within the report.

Renewal works for this financial year have been identified, a new list will be prepared after the adoption of the 2020-2021 Capital Works budget.

The strategy for progressive improvement will start with the development of Service Plans, details important information including roles and responsibilities, levels of service, key performance indicators, financial projections and future actions.

Based on the initial Service Plans, Council will engage with the community in regard to current service delivery to determine community expectations and values, from which the balance of affordability and accessibility of services to the community shall be identified.

In partnership with the community support the priorities of the Nagambie Recreation Reserve Master Plan

External funding source (grant application) has been captured and Council has allocated funding within both the 2019-2020 and 2020-2021 capital works budgets.

Project Delivery

Completed works

- Nagambie Recreation Reserve irrigation

Works to be carried forward

- Nagambie Recreation Reserve - Netball Court design and construct 2020-2021
- Nagambie Recreation Reserve - Car Park design and construct 2021-2022

Services

The following table provides information in relation to the services funding in the 2019-2020 budget and the persons or sections of the community who are provided that service.

Service area	Description of services provided	Expenditure (Revenue) Net Cost \$
Municipal buildings	This service area is responsible for the maintenance of Shire-owned and controlled buildings.	482 <u>479</u> 3
Swimming pools and beaches	The Shire operates outdoor pools in Euroa, Nagambie, Violet Town and Avenel.	33 <u>20</u> 343
Roads and bridge maintenance operations	This service area is responsible for the maintenance of the Shire's roads and bridges network.	6,723 <u>5,272</u> 1,451

Service Performance Indicators

The following table provides the results of the prescribed service performance indicators and measures, including explanation of material variations.

Service / Indicator / Measure	Results				Notes
	2017	2018	2019	2020	
Aquatic Facilities					
Service Standards <i>Health inspections of aquatic facilities</i> [Number of authorised officer inspections of Council aquatic facilities / Number of Council aquatic facilities]	1	0	1	0	
Service Cost <i>Cost of outdoor aquatic facilities</i> [Direct cost of outdoor aquatic facilities less income received / Number of visits to outdoor aquatic facilities]	New in 2020	New in 2020	New in 2020	\$29.21	
Utilisation <i>Utilisation of aquatic facilities</i> [Number of visits to pool facilities / Municipal population]	3.75	3.44	2.90	1.82	
Roads					
Satisfaction of use <i>Sealed local road requests</i> [Number of sealed local road requests / kilometres of sealed roads] x 100	20.61	9.78	12.19	14.60	
Condition <i>Sealed local road below the intervention</i> [Number of kilometres of sealed roads below the renewal intervention level set by Council / Kilometres of sealed local roads] x 100	99.79%	100%	100%	100%	
Service Cost <i>Cost of sealed local road reconstruction</i> [Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]	\$44.37	\$40.03	\$38.79	\$28.87	<i>Improved pricing achieved</i>
Service Cost <i>Cost of sealed local road resealing</i> [Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]	\$2.94	\$3.54	\$3.39	\$3.48	
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]	43	47	51	51	



1



2



3



4

1. The Avenel Swimming Pool is located central to the township and alike Euroa, Nagambie and Violet Town is open to the public from 1st December annually, weather permitting. Council works to maintain and deliver optimal pool facilities to ensure they are available for all to enjoy through priorities and implementation outcomes identified in the Community Pool Strategy.
Photographed by Clare Allen.

2. The delivery of the Nagambie Recreation Reserve Change room upgrades were well received by local sporting bodies and members of the community at the official opening attended by the Hon. Jaclyn Symes MP, Member for Northern Victoria in February 2020.

3. Council are in the design and planning stages of footpath, kerb and channel review for Bank Street, Queen Street and Belmont Street in Avenel due to residential development in the area and future anticipated pedestrian traffic needs.

4. The Nagambie Recreation Reserve Irrigation Works were completed as part of the Council's Recreation Reserve Master Plan, the Recreation Reserve Committee and the support of Nagambie sports clubs and the community.

Strategic objective four: To support and drive economic development

Strategic Indicators

The following statement reviews the performance of Strathbogie Shire against the Council Plan, including results achieved in relation to the strategic indicators included in the Council Plan.

Promote and support local business and produce

Strategic Indicator / Measure	Results	Comments
Encourage local produce sales in towns throughout the Shire, through development of marketing collateral and actions in Economic Development Master Plan	50%	<p>The COVID-19 Pandemic has severely impacted some business sectors and the shire has continued to promote and encourage the use of local products.</p> <p>The Draft review of the Economic Masterplan was submitted to council in November 2019.</p> <p>No firm decision has been reached by Council on the priorities for the Economic Development Masterplan.</p> <p>In May 2020 Council commissioned external consultants to develop an economic profile which was adopted by Council in September 2020.</p> <p>An Economic Development Strategy will be developed.</p> <p>Draft review of the Economic Masterplan will be presented to Assembly of Council in October.</p>
Promote local businesses through a Business Awards program	20%	Options to reinstate the local Business Awards Program is being investigated as a part of the review of the Economic Development Strategy and have been deferred to 2021.
Support and engage with local representative business groups	80%	<p>Further liaison with the two active business groups is being undertaken by the Economic Development Department.</p> <p>Report has been developed to a funding support model for business groups within the Shire. Economic Development Coordinator is working with the business community in Violet Town to develop a group there.</p> <p>The Economic Development and Projects Coordinator continues to liaise with these groups to identify priorities that will assist business recovery from the effects of the COVID-19 Pandemic.</p>

Support tourism and business development

Strategic Indicator / Measure	Results	Comments
Develop options to facilitate camping at appropriate locations within the Shire	75%	Successful operation of camping facilities at Longwood Community Centre – other locations throughout the municipality to be assessed on a case-by-case basis.

Partner with business groups to develop support programs	50%	<p>Undertook the Better Approvals Project in partnership with the Victorian Government and will begin rolling out the actions and implementations as a result of this project to the community in October 2019.</p> <p>There has been a delay in this roll-out due to conflicting priorities as a result of the COVID-19 Pandemic – work will continue on this project in the 2020-2021 financial year.</p> <p>As part of the relief and recovery strategy for COVID-19, Council has allocated funding to these groups to assist in developing support mechanisms for business recovery.</p>
Promote Graytown and other smaller communities through an increased presence on the Strathbogie Shire website and the investigation of interpretive signs and historical information	60%	<p>Graytown was recognised as a priority area in the latest funding round for mobile blackspot areas. Some work is also being done including information about Graytown and other smaller communities in the new Tourism App and in the new Official Visitors Guide.</p> <p>Development of the new Official Visitors Guide has been completed and Published Development of the Tourism App is still ongoing.</p> <p>Graytown now has a presence in the Official Visitors Guide and will also be added to the Tourism App in development.</p> <p>Redevelopment of the Military Trail Map in conjunction with Mitchell Shire, City of Greater Shepparton and City of Benalla to incorporate the POW Camps of Graytown into the map. Further work is being undertaken to map other trails in the area. This include Mapping of the remains of the former prisoner of war camps in the region.</p>
Seek funding and support from federal and state governments to implement Nagambie Infrastructure Development Business Case	80%	Funding grant to State Government Sports Recreation Victoria for a \$10.9 million redevelopment of the Nagambie Rowing precinct, comprising deepening of rowing lanes, construction of a peninsula and construction of a walking connection between the caravan park/rowing precinct and main town.
Develop a policy on town entry and roadside signage and progress implementation	10%	The Boundary, Town Entry and District Signage Policy was adopted by Council on 18 June, 2019, and implementation was orchestrated by Operations and is near completion.
Implement preferred option for involvement in regional tourism	50%	<p>In relation to submission from Go Nagambie to oversee management of the Nagambie Visitor Information Centre resolution was passed by Council to further investigate options for the management of this Centre as well as the (yet-to-be-built) Visitor Information Centre in Euroa.</p> <p>Developed a submission for the Regional Tourism Review and have discussed options with Project Director of the Regional Tourism Review. Further decisions on options available for support of regional tourism by the Victorian Government are still being investigated as a part of this review – ongoing process.</p> <p>The bushfires in January 2020 and COVID-19 have delayed the review from the State Government of the Regional Tourism positioning.</p> <p>Working with the Economic Development Coordinator to present a suggested alternated division to State Government for alignment of Regional Tourism Boards with the same nine areas recognised by Regional Development Victoria. Delays of the review are still in place due to COVID-19.</p>
Investigate installation of a dump point in Nagambie	50%	Investigations into the installation of a dump point within Nagambie township has determined to utilise an area within the Regatta Centre reserve, just waiting on approval from the Executive Management Team.

Provide innovative and sustainable land use planning

Strategic Indicator / Measure	Results	Comments
Review rural land strategy and have these outcomes (including landscape protection) included into the Municipal Strategic Statement	0%	As part of the Planning Scheme review, undertaken in March 2019, a Rural Land Use and Rural Living Review was identified as a high priority action, and a Landscape Study was identified as a lower priority item for strategic planning for the municipality. The policy neutral re-write was initially delayed by the Department of Environment, Land, Water and Planning but has now commenced. A first draft of the re-write will be provided in the first quarter 2021. Once this re-write is completed, work on the rural land strategy and rural living review is anticipated to commence.
Review, in conjunction with the community, to identify options for improvements to Cowslip Street, Violet Town	20%	Conducted research into the Violet Town Development Plan (2010), which was conducted by Council and Planning Consultants. Reviewed all supporting documentation (e.g. Bicycle Walking Path Strategy). Working with the Strategic Planner, initial community consultation on the streetscape has been undertaken. Discussions have taken place between VTAG, Rural Roads Victoria and Council in May 2019, which have identified options for Cowslip Street. Council is undertaking the respective data collection and preparing concept designs for community input early in the new year.
Review Nagambie Growth Management Plan	70%	Consultation has occurred and now working to update the vision statement. This review is tracked with project plan, however, timeframes have been pushed back for completion to allow further consultation.
Formalise Euroa parking arrangements following Euroa Township Plan Issues and Opportunities report	90%	Euroa Township Strategy which incorporates parking arrangements in Euroa is yet to be finalised.
Progress planning for future growth in Avenel	100%	Avenel 2030 Strategy is still relevant for the growth of the town and provides sound planning direction. This document will be reviewed in due course. Currently there is sufficient land zoned appropriately to accommodate projected growth. Subdivision of land is occurring in Avenel and we will continue to monitor.

Attract new residents

Strategic Indicator / Measure	Results	Comments
Review effectiveness of rating incentive package in new residents to Strathbogie Shire	0%	Not commenced. Will review in second half of financial year.
Explore options to highlight the availability of employment opportunities within the Shire	20%	This action will form part of the review of the Economic Development Masterplan.

Grow investment and employment opportunities

Strategic Indicator / Measure	Results	Comments
Review, update and resource the Economic Development Master Plan and implement priority actions	40%	Briefing with Council held. CEO has commenced review process. Economic development profile is complete.

Major Initiatives

Seek funding and support from Federal and State Governments to implement Nagambie Infrastructure Development Business Case

We were successful in receiving funding from Sports Australia for \$350,000 for the Foreshore Walking Track

We sought funding from Sports Recreation Victoria for \$10 million in funding for the

Community Sports Infrastructure Stimulus Program, but were unsuccessful. We are now pursuing other options.

Review update and resource the Economic Development Master Plan and implement priority actions

We have completed an economic profile of the Shire which will now enable us to accurately review and update the Economic Development Master Plan

Other initiatives

Review Rural Land Use Strategy and have these outcomes (including landscape protection) included into the Municipal Strategic Statement

The Nagambie Growth Management Strategy and the Euroa Township Strategy with the inclusion of the Inland Rail precinct opportunity were priorities for focus. The review of the Rural Land Use Strategy is the next step.

Develop options to facilitate camping at appropriate locations within the Shire

Council has worked extensively with the Longwood Community over the last twelve months to establish a low-cost camping facility at the Longwood Community Centre.

A trial was commenced at the site in December 2019 which was well utilised over the summer months before approval was given for the permanent use of this site by Council at its ordinary meeting in June 2020.

Council has recommenced discussions with other groups to establish low cost camping areas in other locations throughout the Shire which will continue following further community consultation and engagement.

Services

The following statement provides information in relation to the services funded in the 2019 - 2020 budget and the persons or sections of the community who are provided that service.

Service area	Description of services provided	Expenditure (Revenue) Net Cost \$
Planning	This service covers planning applications, advice on development proposals and all regulators compliance on the Shire	869 220 649
Building	Provides statutory building services to the community including processing of building permits, emergency management responsibilities, fires safety inspections, audits of Council buildings and investigations of complaints and illegal works.	638 - 638
Economic Development	This service provides strategic planning and support for the pursuit of economic opportunities in the Shire	149 - 149
Tourism and Events	Strathbogie Shire has a high tourism profile with broad-ranging attractions including: natural environment, water-based activities, wineries, events and festivals. This service area is responsible for promoting the area generally and supporting local tourism bodies and tourism related events.	555 43 512
Caravan Parks		23 - 23
Saleyards	This service area refers to the Euroa Saleyards. The saleyards operate on an approximately one sale per month basis	216 268 (52)

Service Performance Indicators

The following statement provides the results of the prescribed service performance indicators and measure including explanation of material variations.

Service / Indicator / Measure	Results				Notes
	2017	2018	2019	2020	
Statutory Planning					
Timeliness <i>Time taken to decide planning applications</i> [The median number of days between receipt of a planning application and a decision on the application]	39	34	45	48	<i>Noted until the end of October 2020.</i>
Service Standard <i>Planning applications decided within 60 days</i> [Number of planning application decisions made within 60 days + number of VicSmart planning application decisions made within 10 days / Number of planning application decisions made] x 100	92.89%	91.46%	89.08%	95.1%	<i>Noted until the end of October 2020.</i>
Service Cost <i>Cost of Statutory planning service</i> [Direct cost of the statutory planning service / Number of planning applications received]	\$2622.19	\$2,805.08	\$2,433.81	\$1882.96	<i>Some labour costs reallocated to strategic planning. Also applications up from 161 in 2018/19 to 201 in 2019/20/</i>
Decision Making <i>Council planning decisions upheld at VCAT</i> [Number of VCAT decisions that upheld Council's decision in relation to a planning application / Number of decisions in relation to planning applications subject to review by VCAT] x 100	0%	0%	0%	50%	<i>Two cases heard at VCAT in 2020. One decision upheld and one overturned.</i>



1. Council Officers participated in the Better Approvals Project training in partnership with the Victorian Government in October 2019, and implementation of the scheme is ongoing to due COVID-19 interruptions.

2. Councillors and Officers continue advocacy efforts to seek funding for the Nagambie Infrastructure Development Business Case which consists of much needed sports and tourism infrastructure in and around High Street and Lake Nagambie.

3. Free camping options are now available at the Longwood Community Centre

Strategic objective five: To be a high-performing shire

To proactively develop and deliver quality services that achieve high customer satisfaction

Strategic Indicator / Measure	Results	Comments
Continue to enhance customer experience through ongoing development of customer relationship management system	100%	<p>Customer service delivery and customer experience is an ongoing area of focus for council.</p> <p>Customer Service Charter has been reviewed and adopted.</p> <p>A project in relation to Better Approvals Process has been undertaken and systems being implemented to assist in improving our customers experience.</p> <p>Council's Customer Records Management Software has been upgraded and will allow access to a councillor portal to track requests lodged by councillors.</p>

Continue to focus on operational efficiencies

Strategic Indicator / Measure	Results	Comments
Continue to service plan process to assist decision making and identify service enhancements	100%	<p>To support service enhancement and decision making, a structural alignment was announced for consultation with staff and subsequently implemented following feedback.</p> <p>Key positions for key vacancies and new positions have been recruited and commenced within existing budget parameters.</p>
Continue to explore opportunities through collaboration with other councils in service delivery	100%	<p>Opportunities to explore how services are delivered in collaboration with other rural councils are a continual discussion in regard to different projects and services.</p> <p>This will continue to ensure efficient delivery of services through shared knowledge, cost effectiveness and streamlining of processes, growing partnerships and networks.</p> <p>Further discussions are commencing at a Hume Region level for exploring future projects which could work together.</p> <p>An example of this occurring recently was a joint Planning Scheme amendment to make updates to incorporate our infrastructure manual into the Planning Scheme.</p>

Conduct an organisation wide cultural change / innovation program that promotes a 'can do philosophy', continuous improvement processes, culture of collaboration and a willingness to embrace positive change	90%	<p>VAGO Fraud and Corruption in Local Government Response Action plan completed in March, pending one action regarding a final meeting with VAGO in July. VAGO have been kept abreast of our progress and the Internal Auditors have noted that our new Purchasing Card Policy is best practice. Public reporting around Councillor expenses and CEO purchasing card transactions continue each quarter.</p> <p>The Local Government Inspectorate have also noted our new Statutory Obligations database, identifying all of the statutory requirements for reporting and new Local Government Act deadlines, is best practice.</p> <p>Implementation of new Local Government Act 2020 - we are well on track to comply with all of the requirements under the new ACT with several statutory documents about to go out for public comment. Work is continuing at pace on the remaining obligations including preparation of Governance Rules and a new set of delegations. Workshops have been held with Councillors, the Executive and management teams relating to the new Act. A significant amount of information has been disseminated to the organisation to ensure awareness and compliance with the new Act.</p> <p>There have been a number of other initiatives implemented to improve our governance framework including the introduction of a new conflict of interest form, training for over 40 staff on conflict of interest, preparation of a new Public Interest Disclosure Policy (including training session for the entire management team on public interest disclosures), an action plan responding to recent IBAC reports around procurement and tenders.</p>
Prioritise outcomes of ICT strategy to aid business transformation through finalisation of 'Roadmap'	95%	Strategy drafted to be reviewed by Executive Team before consideration by Council.
Link results of Community Satisfaction Survey to Council Plan actions		Deferred to next financial year.
Improve access to 'in the field' software and hardware for key council functions to improve response times to permit applications and customer queries	90%	In the field software for both our Environmental Health and Building has been purchased. Testing is underway in both systems, which are being tested to go live by 31 December 2020.

Continue to create a secure investment environment through sound financial management

Strategic Indicator / Measure	Results	Comments
Upgrade Long Term Financial Plan to cover 10-year period	100%	Draft Long-Term Financial Plan has been completed as part of the budget.
Review Contract Management Process and Guidelines	50%	Vacancy in procurement filled, progressive change being made.

To be equitable and fair in all decision-making processes

Strategic Indicator / Measure	Results	Comments
Ensure strategies are developed in conjunction with key stakeholders on a regional basis – North East Local Government Network	100%	Mayor and CEO attend meetings with the NELGN and act on strategies and initiatives beneficial to Strathbogie Shire.
Promote open and transparent reporting of Council decision-making including Know Your Council Data	100%	Data submitted. Now live on Know Your Council website. Some media attention.

To communicate and engage effectively with our community and key stakeholders

Strategic Indicator / Measure	Results	Comments
Review Communications and Engagement Strategy in line with changes to Local Government Act	100%	Completed.
Work with local business associations to develop a Shire-wide skills bank that values and recognises local knowledge	20%	The Economic Development Officer is doing some work on developing a Local Procurement Policy which links in with this action item.
Actively seek partnerships to achieve our Council Plan	100%	Council Plans are developed with the community and, where relevant, are implemented with community, business and individual partnerships.

Major Initiatives

Prioritise outcomes of ICT Strategy to aid business transformation through finalisation of 'roadmap'

The Shire's ICT Roadmap has been developed to align with the ICT Strategy which focuses on Information Asset Governance, Business Systems, Engagement Through Technology, and ICT Infrastructure Continuity and Security. The ICT Roadmap has been now activated and many of the initiatives have now commenced, some having seen completion. The ICT Roadmap will be renewed with the development of the Shire's future ICT Strategy

Improve access to 'in the field' software and hardware for key Shire functions to improve response times to permit applications and customer queries

The Shire's compliance department is in the process of implementing Mobile Health Manager for the Environmental Health Department with testing of the system to start soon. Officers are working with the providers of the software to enable access to department software in the field to reduce paperwork and improve efficiencies through the use of technology.

The introduction of the new Local Government Act 2020 introduced a new regime for council operations. The latter half of this year was spent drafting and consulting on documents such as our Governance Rules, delegation instruments, candidate training for the 2020 Council election and a number of Council policies to meet statutory deadlines prescribed by the Act.

New processes were introduced in relation to declarations of conflict of interest by Councillors and staff. Training was provided to over 40 staff in relation to the management and declaration of conflicts along with the importance of promoting a culture of disclosures should fraud or corruption be suspected by Councillors, staff or the public.

Preparations were made for the 24 October Council election, including the preparation of the Chief Executive Officer's electoral roll, communications with our community to encourage enrolment and promotion of the contribution councillors make to the community to maximise candidacy.

Two electoral processes were undertaken by the Victorian Electoral Commission for the Honeysuckle and Lake Nagambie Wards following the retirement of two Councillors.

Other initiatives

Review Communications and Engagement Strategy in line with pending changes in the Local Government Act

A review of Council's Communications and Engagement Strategy is progressing. This will include the development of an annual Community Forum that will include deliberative engagement, participatory budgeting, community education and genuine and transparent engagement opportunities. We are also developing a Community Engagement Policy that ensures true public participation opportunities to improve outcomes and build trust.

Review Contract Management Process and Guidelines

Council is developing a Project Management Framework that will encompass a review of the current Contract Management Process and Guidelines, ensuring compliance with the new Procurement Guidelines and encouraging innovation and cooperative practices which lead to better quality projects.

Services

The following statement provides information in relation to the services funded in the 2019–2020 budget and the persons or sections of the community who are provided that service.

Service area	Description of services provided	Expenditure (Revenue) Net Cost \$
Financial and Administration Services	This service area provides financial advice and support to providers of all Shire services, including budget preparation, long-term financial planning, periodic reporting, processing of debtors and creditors, and statutory financial requirements, including FBT and GST reporting.	1,762 19,553 (17,791)
Information Technology	This service maintains and improves the Shire's information technology systems, ensures compliance with legislation relating to records management, including administering and recording all incoming correspondence. This also includes telephones, intranet, photocopiers, aerial photography and geographic information.	1239 - 1239
Human Resources and Risk Management	Management of recruitment and induction, occupational health and safety, procedures relating to employment matters, administration of insurances, staff training and development, employee assistance program.	1,005 - 1005
Community Relations	Customer service contact, media, communications, public notices, community surveys, website, marketing and community engagement.	1,007 33 974
Governance and Statutory Services	This service area provides planning and management of a range of statutory services provided by the Shire, such as building, health, animal management etc.	0 - 2 (2)
Governance	The area of governance includes the Mayor, Councillors, Chief Executive Officer, regulatory reporting, council elections, compliance with relevant Acts and other Executive Management costs which cannot be easily attributed to the direct service provision areas.	1,301 - 1301

Service Performance Indicators

The following statement provides the results of the prescribed service performance indicators and measure including explanation of material variations.

Service / Indicator / Measure	Results				Notes
	2017	2018	2019	2020	
Governance					
Transparency <i>Council decisions made at meetings closed to the public</i> [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 or a special committee consisting only of councillors] x 100	15.45%	11.48%	12.02%	6.90%	
Consultation and engagement <i>Satisfaction with community consultation and engagement</i> [Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement]	41	51	55	50	
Attendance <i>Councillor attendance at Council meetings</i> [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	81.82%	84.82%	91.33%	89.12%	
Service Cost <i>Cost of Governance</i> [Direct cost of the governance service / Number of councillors elected at the last council general election]	\$39,430	\$40,016	\$42,326	\$35,169	
Satisfaction <i>Satisfaction with Council decisions</i> [Community satisfaction rating out of 100 with how Council has performed in making decisions in the interest of the community]	38	48	55	49	



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1. Council commits to continue working with local business associations to develop a Shire-wide skills bank that values and recognises local knowledge.

Photographed by Clare Allen.

2. Customer Service is a core focus to enhance and improve in, which will continue to be reviewed and assessed in accordance with the adopted Customer Service Charter.

Photographed by Abram Rasmussen.

3. In line with Local Government Act 2020 changes, a review of Council's Communications and Engagement Strategy is in progress.

Photographed by Clare Allen.

4. To be a high-performing Shire, Council will ensure strategies are developed in conjunction with key stakeholders on a regional basis such as the North East Local Government Network.

Photographed by Katherine Crosbie.

Shire Highlights and Challenges



Economic influences/factors

Significant impacts were starting to emerge during the 2019-2020 financial year due to ongoing COVID-19 pandemic

- Our tourism and hospitality sectors are particularly affected
 - Financial support from all levels of governments has mitigated adverse impacts somewhat, however, uncertainty as to when the economy is fully able to return to 'normal' operation is of concern to business owners.
- ## Working for Victoria
- Council has benefited from the Working for Victoria initiative, where we were able to gain funding to provide employment for over 40 people for a period of six months – these resources have also enabled Council to better support our community and business sector during the pandemic
 - Highlights from the Working for Victoria Program include:
 - A significant cleaning program of Council's community buildings
 - A roads team, dedicated to cleaning drains, fixing potholes and general updating works.
 - A gardening team, who has prepared our parks, gardens and walking tracks for summer.
 - A project team dedicated to improving public facilities.
 - Through Working for Victoria we were also able to plan (to launch in the next financial year) the Strathbogie Story – a video storytelling and community story book website aimed at tackling isolation and loneliness during the pandemic.
 - Some sectors of the economy, have benefited and responded proactively to the challenges the pandemic has created – our businesses and community have demonstrated ingenuity, resilience and creativity to find ways of continuing to operate
 - There are positive impacts arising from the pandemic already beginning to emerge – particularly a significant demand for land and property across the Shire driven by people seeking to move out of Melbourne. Euroa, Nagambie and Avenel are becoming 'hotspots' for subdivision and growth.

- The growing need to work from home has highlighted limitations in mobile network and NBN network, which need to be addressed in the long term if the Shire is to realise its economic and growth potential

- The occurring La Nina event will help our agricultural sector recover from the drought conditions of the past few years.

Challenges and the future

- Short, medium and long-term social and economic impacts of the ongoing COVID-19 pandemic
- Supporting the growth in towns such as Euroa, Nagambie and Avenel with appropriate social and community infrastructure – building partnerships with the public and private sector to ensure our community has the facilities it needs is critical
- Addressing key infrastructure deficiencies that affect our ability to attract major industries – including power security, reticulated gas, water security and NBN/mobile connectivity and capacity
- Addressing the concerns raised by the community through the Community Satisfaction Survey of May 2020 and improving our services/efficiency across the organisation
- Delivering on the RE3 Project – our COVID-19 Community Recovery Plan to Reset, Reboot, Revitalise our community.
- Focussing on four key areas – these being Communication, Consultation and Engagement, Community Decisions and Customer Service.
- Balancing the need to ensure the Shire remains financially sound with providing financial assistance (through measures such as a zero rate-rise and not charging annual business permit fees) to assist the community to recover and rebuild after the pandemic
- Responding to the new goals and aims of a new Council, as elected in October 2020
- Ongoing challenge of managing growing community expectations around improving/broadening service provision by Council with very limited financial and human resources.

Evolve Youth Services

The pandemic has taken its toll on youth throughout the Shire.

Despite these setbacks, the pandemic has allowed Strathbogie Shire and its Evolve Youth Committee to reimagine its youth program delivery, which has included:

- UKES2U - A weekly online ukulele workshop for beginners with contact-free delivery of short-term loan ukuleles for local youth
- Don't Cut Off Your Fingers - Teen cooking classes running fortnightly with either contact-free food delivery or food vouchers to the local IGA, The initiative is supporting young people to eat well while learning new skills.

- Virtual Grooves - Weekly teen dance classes where young people enjoy the chance to get active from their own living room.

Before the impact of COVID-19, the Shire and its Evolve Youth Committee ran events and programs targeted at engaging young people 12-25, through our State Government funded FReeZA and Engage! Programs.

These included holiday programs, music gigs, the North East Skate Park Series, barista training and the launch of a Mobile Youth Pop-Up Trailer. Along with pool parties, free movie nights, youth mental health and wellbeing programs and a video production with local youth band Splinter Kiss.



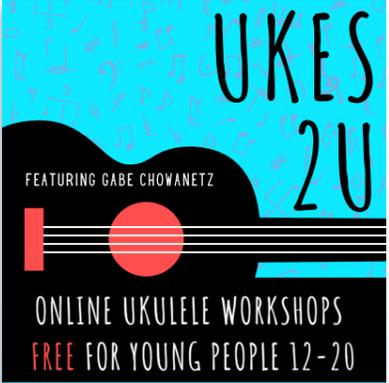
THE EVOLVE YOUTH COMMITTEE OF
STRATH-BOOGIE INVITE YOU TO

VIRTUAL GROOVES

FREE ONLINE DANCE WORKSHOPS
FOR YOUNG PEOPLE AGED 12-20
WITH URBAN DANCE CLASS

EVERY FRIDAY TERMS 3 & 4
3:30-5PM VIA ZOOM

Sign up by contacting Andy Bell
at Strathbogie Shire Council
E: andy.bell@strathbogie.vic.gov.au
M: 0428248686

UKES 2U

FEATURING GABE CHOWANETZ

ONLINE UKULELE WORKSHOPS
FREE FOR YOUNG PEOPLE 12-20

4-5:30PM MONDAYS VIA ZOOM 14/9 - 19/10
UKULELES DELIVERED TO & COLLECTED FROM YOUR DOOR

Sign up by contacting Andy Bell at Strathbogie Shire Council
E: andy.bell@strathbogie.vic.gov.au M: 0428248686




DON'T CUT OFF YOUR FINGER

FREE ONLINE COOKING CLASS FOR TEENS

4:30-5:30PM WEDNESDAYS VIA ZOOM
INGREDIENTS DELIVERED TO YOUR DOOR

SIGN UP BY CONTACTING ANDY BELL AT STRATHBOGIE SHIRE COUNCIL
E: andy.bell@strathbogie.vic.gov.au M: 0428248686





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1. The Avenel Preschool and MCH Official Opening in February 2020.

Photographed by Katherine Crosbie.

2. The Nagambie Deep-Water Boat Ramp Official Opening in February 2020.

Photographed by Katherine Crosbie.

3. The Nagambie Visitor Information Centre Official Opening.

Photographed by Katherine Crosbie.

4. The Nagambie Bowls Green Synthetic Upgrade Delivery and Opening.

Photographed by Katherine Crosbie.

5 and 6. Council has benefited from the Working for Victoria Initiative. Teams have conducted a cleaning, updating and maintenance blitz across the Shire.

Following page – Wetlands at Tahbilk Winery. Photographer: Melanie Ball.

Governance



Governance

Council focussed on improving accountability and public transparency around several key themes to improve our good governance practices and to start driving cultural change across the organisation.

Initiatives included the development, adoption and auditing of the following policies:

- Councillor Support, Resources, Reimbursement and Reporting of Expenses Policy
- Purchasing Card Policy
- Disposal of Council Assets Policy
- Motor Vehicle Chief Executive Officer Directive
- Gifts, Benefits and Hospitality Policy.

Councillor expenses and expenditure on the Chief Executive Officer's purchasing card are now reported to the Audit Committee on a quarterly basis and then published on Council's website to maximise public scrutiny and accountability.

Code of Conduct

The Local Government Act 2020 requires councils to develop and approve a councillor Code of Conduct within 12 months after each general election. On 21 February, 2017, Council adopted a revised Councillor Code of Conduct which is designed to:

- Assist councillors to maintain the highest standards of conduct and behaviour as well as provide a means to deal with problems they may encounter
 - Attract the highest level of confidence from the Shire's stakeholders
 - Assist the mayor and councillors to discharge the responsibilities of their public office appropriately
- In addition to setting out the Councillor Conduct Principles, the Code also outlines:
- Other conduct definitions under the Act, such as those relating to misuse of position, improper direction, breach of confidentiality and conflict of interest
 - Roles and relationships
 - Dispute-resolution procedures

Conflict of Interest

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

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

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

During 2019-2020, five conflicts of interest were declared at Council Meetings, three direct interests and two indirect interests. There were no interests declared at any Special Council Meetings and one direct interest and four indirect interest declared at Planning Committee Meetings for councillors. Executives declared no conflicts of interests at Ordinary Council meetings.

A good governance training program was instigated in late 2019 for Councillors and Council officers. A focus for this program was raising the awareness of the conflict of interest provisions of the Local Government Act 1989 and how to ensure our compliance with this legislation.

A simple electronic conflict of interest form was created for the use of Council officers when making delegated decisions and a review process for these forms by independent staff introduced. Electronic workflows were created to streamline the review and recording process.

Council Meetings - Council held these meetings in 2019-2020

- Eleven Ordinary Council Meetings
- Ten Special Council Meetings
- Eight Planning Committee Meetings

The following table provides a summary of councillor attendance at Council Meetings and Special Council meetings for the 2019-2020 financial year.

Councillor	Ordinary Council Meeting	Special Council Meeting	Planning Committee Meeting	Total
Cr Amanda McClaren (Mayor)	9	10	8	27
Cr Debra Bower	5	5	2	12
Cr Robert Gardner	5	3	4	12
Cr Malcom Little	11	8	7	26
Cr John Mason	10	9	8	27
Cr Chris Raeburn	3	3	3	9
Cr Kate Stothers	5	6	3	14
Cr Alistair Thomson	11	10	8	29
Cr Graeme Williams	9	9	7	25

Special Committees

The Act allows councils to establish one or more special committees consisting of councillors, council staff, other persons or any combination of these groups.

The table contains a list of all operational special committees and advisory groups established by Council and the purpose for which each committee was established.

Due to the COVID-19 pandemic and the social distancing requirements, many committee meetings were postponed until they could be held at a safer time.

Special Committee	No. of meetings	Purpose
Access and Disability Advisory Committee	3	<p>The aim is to liaise with community members and provide advice and recommendations regarding access and equity to Strathbogie Shire Council. The objectives of the Committee are:</p> <ul style="list-style-type: none"> • Work in partnership with the community and Strathbogie Shire Council towards acknowledging and valuing people of all abilities. • Promote consultation and ensure participation mechanisms are in place for people with a disability, their carers, advocates and service providers to have meaningful input into Strathbogie Shire Council service planning and policy development. • Support and raise community awareness of the needs of persons with a disability.

Audit Committee	6	The primary objective of the Audit Committee is to assist Council in the effective conduct of its responsibilities for financial reporting, management of risk, maintaining a reliable system of internal controls and facilitating the organisation's ethical development.
Community Pools Working Group	4	Appointed to facilitate the development of a Shire-wide pools strategy. This strategy will look at pools in the Strathbogie Shire holistically and provide for their planning and development now and into the future.
Nagambie Waterways Advisory Committee	5	Appointed to set policy and direction for the Nagambie waterways recreational and commercial users, to ensure that the activities on the Nagambie waterways meet the objectives and the vision on Council as set out in the Council Plan.
Planning Committee	8	To delegate planning powers to a committee of Councillors who will have voting rights and meet fortnightly to consider planning applications normally referred to General Council. Urgent permit applications may be considered by General Council if a meeting is held before the monthly Planning Committee meeting.
Sustainable Development Reference Group	4	The key responsibility of the Committee is to provide feedback and advice to Council on the following objectives: <ul style="list-style-type: none"> • Providing for the use and development of public land with the integration and acknowledgment of economic environmental and social concerns throughout the decision-making process. • Protecting the Shire's natural environment and enhancing and maintaining ecological processes and genetic diversity. • Enabling strategic planning decisions that enhance the Shire's climate security, ensuring safe and liveable urban and rural environments. • Conserving and enhancing culturally or socially significant buildings or areas. • Facilitating sustainable development. • Balancing the present and future interests of all Shire residents and visitors.
Tourism, Arts and Culture Advisory Group	7	The objectives of the Committee are: <ul style="list-style-type: none"> • To provide a formal mechanism for Council to consult with key stakeholders, seek specialist advice and enable community participation in the development and implementation of a Tourism, Arts and Culture Strategy Plan • Act as advocates and champions for Tourism, Arts and Culture programs and projects with the Shire that are of community benefit. • Provide a forum for discussion of tourism, arts and culture industry trends and best practice in the Local Government sector.

Councillor expenses

Section 3 of the *Local Government Act 1989* (the Act) states that the role of a council is to provide leadership and good governance for the municipality and local community. It must seek the best outcomes for the community and have regard to the long-term and cumulative impacts of its decisions.

Section 42 of the Act states that Councillors must be provided with the resources and facilities reasonably necessary to enable them to effectively perform their role. Some of the duties and activities considered to be necessary for each councillor to perform include attending:

- Council meetings, meetings of Advisory Committees of Council, formal briefing sessions and civic or ceremonial functions
- Meetings or workshops and professional development courses as an attendee and/or speaker
- Meetings with community members
- Meetings or committees as the nominated representative of Council or the Mayor
- Site inspections or meetings relevant to a matter which is, or is anticipated to be, the subject of a decision of Council.

Councillor Support, Resources, Reimbursement and Reporting of Expenses Policy 2019

Section 75A of the Act of the Local Government Act 1989, which was operational until May 2020 and replaced by section 40 of the Local Government Act 2020, both state that councillors must be reimbursed for out-of-pocket expenses if:

- The councillor applies in writing for reimbursement
- The councillor has demonstrated that the expenses were legitimately incurred while undertaking his or her duties as a councillor.

Council adopted a new Councillor Support, Resources, Reimbursement and Reporting of Expenses Policy in October 2019.

As part of this policy, councillor expenses

are reported to the Audit Committee and made publicly available on our website. In doing so, we seek to achieve best practice in terms of public transparency around the expenses that are reimbursed to Council.

Report of annual expenses and reimbursements

Section 14 (2)(db) of the *Local Government (Planning and Reporting) Regulations 2014* requires details of the expenses, including any reimbursed expenses, for each councillor and member of a council committee paid by the council, categorised separately as -

- Travel expenses
- Car mileage expenses
- Childcare expenses
- Information and communication technology expenses
- Conference and training expenses

The table below identifies expenditure across these categories for each councillor, along with the total expenditure. To achieve maximum transparency, an additional expense category, named 'other expenses', has been included to capture all expenses that have been reimbursed to councillors in their day-to-day duties (such as cartridges for printers).

	Child-family care	Travel	Car Mileage*	IT and Comms**	Conferences & Training	Other	Total expenses
Cr Thomson	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Mayor McClaren	\$0.00	\$0.00	\$11,867.62	\$1,465.85	\$1,061.43	\$0.00	\$14,394.91
Cr Swan (Bower) retired December 2019	\$0.00	\$0.00	\$1,016.79	\$78.73	\$0.00	\$0.00	\$1,095.52
Cr Williams	\$0.00	\$35.50	\$485.00	\$1,388.40	\$975.16	\$0.00	\$2,884.06
Cr Mason	\$0.00	\$0.00	\$0.00	\$702.92	\$1,054.01	\$0.00	\$1,756.93
Cr Stothers retired December 2019	\$0.00	\$0.00	\$0.00	\$236.70	\$0.00	\$0.00	\$236.70
Cr Little	\$0.00	\$24.92	\$3,257.24	\$1,711.71	\$958.56	\$247.67	\$6,200.10
Cr Raeburn elected March 2020	\$0.00	\$0.00	\$0.00	\$1,835.00	\$0.00	\$0.00	\$1,835.00
Cr Gardner elected January 2020	\$0.00	\$0.00	\$0.00	\$1,243.91	\$0.00	\$0.00	\$1,243.91

Notes:

* Car mileage:

- Excludes depreciation for Mayoral vehicle
- Includes expenditure from Mayor's fuel card from Council's assets system
- Excludes \$200 monthly vehicle contribution from Mayoral allowance

** IT and Communications:

- Includes hardware costs incurred during this financial year
- Represents costs of phone plans paid by Council

Management

Strathbogie Shire has implemented numerous statutory and better-practice items to strengthen its management framework. Having strong governance and management frameworks lead to better decision making by Council. The Act requires Council to undertake an assessment against the prescribed governance and management checklist and include this in our Report of Operations.

Council's Governance and Management checklists results are set out in the section below. The following items have been highlighted as important components of the management framework.

Audit Committee

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

The Audit Committee was restructured to comprise four independent members- Alistair Purbrick, Claire Taranto, Mark Freudenstein and Geoff Dobson - and two councillors, Cr Amanda McClaren and Cr Robert Gardner. Independent members are appointed for a three-year term; the Chair is elected from among the independent members.

The Audit Committee met five times during the last financial year. Attending the meetings were the Internal Auditor, Chief Executive Officer, Director of Community and Planning, Director of Corporate Operations and Manager Finance. Other management representatives attend as required to present reports.

Recommendations from each Audit Committee Meeting are subsequently reported to and considered by Council.

Internal Audit

The Shire's internal audit function provides independent and objective assurance that appropriate processes and controls are in place. The department is resourced by an external provider. A risk-based three-year Strategic Internal Audit Plan (SIAP) is revised annually to ensure the audit resources remain focused on the appropriate areas. The review process considers Council's risk framework, the Council Plan, the impact of any change on operations, systems or the business environment, prior audit coverage and outcomes and management input.

The SIAP is reviewed and approved by the Audit Committee annually.

The responsible Director/Executive Manager for each area reviewed is required to attend the Audit Committee Meeting to respond to questions in relation to the review. All audit issues identified are risk rated. Recommendations are assigned to the responsible Director/Executive Manager and tracked in Council's electronic document management system. Directors/Executive Managers provide status updates that are reviewed by the Internal Auditor and reported to the Executive Leadership Team and the Audit Committee.

Council conducted these reviews in 2019-2020:

- Project Management
- Fleet Management
- Human Resources
- Purchasing cards

The Committee also considered a Draft Enterprise Risk Management Framework, the Annual Budget and Financial Statements.

The Committee also reviewed work undertaken following the Victorian Auditor General's report on Fraud and Corruption in Local Government. This included review of Council policies in relation to:

- Sale of Assets
- Councillor Support and Expenses
- Gifts Benefits and Hospitality
- Review of Councillor expenses 2016-2017, 2017-2018 and 2018-2019

As well as CEO Directives relating to:

- Cash Handling and Receipting
- Discretionary Expenditure
- Fraud and Corruption Register

External Auditors

Strathbogie Shire is externally audited by the Victorian Auditor General. For the 2019-2020 year, the annual external audit of Council's Financial Statements and Performance Statement was conducted by the Victorian Auditor General's office. The external auditors attend Audit Committee meetings during the year to present the annual Audit Plan and Independent Audit Report. The external audit management letter and responses are also provided to the Audit Committee.

Risk Management

In July 2019, Council adopted the Risk Management Policy and Enterprise Risk Management Framework in line with current best practice in the management of business enterprise risks, and current AS/NZS 31000 guidelines. The policy applies to all areas of Council operations and includes Council, Councillors, wider staff, contractors and volunteers undertaking any function for or on behalf of Council.

Council continues and reinforces its commitment to the management to reduce the impact of risk on achieving Council's objectives, minimising any interruption to the business, and confidently pursuing opportunities that are identified. Strategic Risk Profiling Workshops have been conducted to create Council's Strategic Risk Register, bringing these in-line with the International Standards for Risk Management: ISO 3100:2018.

Council endeavours to manage risk by achieving the following scope and objectives;

- Establish objectives with Council

- Review against the Council Plan
- Conduct a review against that Australian Standards AS/NZS ISO13000:2018

Governance and Management Checklist

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

Governance and management checklist 2019-2020

	Governance and Management Item	Assessment
1	Community engagement policy (policy outlining Council's commitment to engaging with the community on matters of public interest)	Adopted by Council on 20 August, 2019
2	Community engagement guidelines (guidelines to assist staff to determine when and how to engage with the community)	Strategy adopted by Council on 20 August, 2019
3	Strategic Resource Plan (plan under section 126 of the Act outlining the financial and non-financial resources required for at least the next four financial years)	Adopted in accordance with section 126 of the Act Date adopted: 14 July, 2020
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 section 130 of the Act Date adopted: 14 July, 2020
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)	Plans Date of operation of current plans: General overarching: 28 October, 2016 Transport: 21 October, 2016 Bridges: 16 March 2015 Water (drainage): 16 December, 2016 Land: 26 January, 2013 Buildings: 16 September, 2016 Open space: 9 January, 2013 Plant and Equipment: 27 November, 2012 Culture and Heritage: 27 November, 2012
6	Rating strategy (strategy setting out the rating structure of Council to levy rates and charges)	Strategy Adopted with Budget on 14 July, 2020
7	Risk policy (policy outlining Council's commitment and approach to minimising the risks to Council's operations)	Policy Date of operation of current policy: 18 June, 2019

8	Fraud policy (policy outlining Council's commitment and approach to minimising the risk of fraud)	Policy Date of operation of current policy: 20 February, 2018
9	Municipal emergency management plan (plan under section 20 of the <i>Emergency Management Act 1986</i> for emergency prevention, response and recovery)	Prepared and maintained in accordance with Section 20 of the <i>Emergency Management Act 1986</i> , adopted by Council on 30 January, 2020
10	Procurement policy (policy under section 186A of the <i>Local Government Act 1989</i> outlining the matters, practices and procedures that will apply to all purchases of goods, services and works)	Prepared and approved in accordance with Section 186A of the <i>Local Government Act 1989</i> . Date of approval: 20 August, 2019
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)	31 March, 2020
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)	Plan Date of approval: 24 May, 2017
13	Risk management framework (framework outlining Council's approach to managing risks to the Council's operations)	Framework Date of operation of current framework: 18 June, 2019
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)	Established in accordance with Section 139 of the <i>Local Government Act 1989</i> Date of establishment: 20 November, 2001
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)	Engaged Date of engagement of current provider: 15 May, 2018
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)	Framework Date of operation of current framework: 1 July, 2015
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)	Produced quarterly for Council Dates presented to Council: 16 July, 2019, 15 October, 2019, 18 February, 2020, 19 May, 2020

18	Financial reporting (quarterly statements to Council under section 138 of the Act comparing budgeted revenue and expenditure with actual revenue and expenditure)	Statements presented to Council in accordance with Section 138(1) of the <i>Local Government Act 1989</i> Dates statements presented: 19 September 19 ,15 October 2019, 19 November 2019,17 December 2019, 18 February 2020,21 April 2020
19	Risk reporting (six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies)	Quarterly discussion with Audit Committee on risk exposures
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)	Reports: Business Management System reported to Council monthly
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)	Considered at a meeting of Council in accordance with Section 134 of the <i>Local Government Act 1989</i> Date statements presented:15 October 2019
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)	Code of conduct reviewed in accordance with section 76C of the Act Date adopted: 21 February 2017
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)	Delegations reviewed in accordance with section 98(6) of the Act Presented to Council: 17 December 2019
24	Meeting procedures (a local law governing the conduct of meetings of Council and special committees)	Meeting procedures local law made in accordance with section 91(1) of the Act Date Adopted: 16 February 2014

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



Julie Salomon
Chief Executive Officer
Dated:



Cr Amanda McClaren
Mayor
Dated:

Statutory Information

The following information is provided in accordance with legislative and other requirements applying to Council.

Documents available for public inspection

In accordance with the regulation 12 of the Local Government (General) Regulations 2015 the following are prescribed documents that are available for inspection or copies of the documents can be obtained for the purposes of section 222 of the Act at 109a Binney Street, Euroa:

A document containing details of overseas or interstate travel (other than interstate travel by land for less than 3 days) undertaken in an official capacity by councillor or any member of council staff in the previous 12 months, including -

- The name of the councillor or member of council staff
- The date on which the travel began and ended
- The destination of the travel
- The purpose of the travel
- The total cost to the council of the travel, including accommodation costs
- The agenda for, and minutes of Ordinary and Special Meetings held in the previous 12 months which are kept under section 93 of the Act, other than those agendas and minutes relating to a part of a meeting which was closed to members of the public under section 89 of the Act and are confidential information within the meaning of section 77(2) of the Act.
- The minutes of meetings of special committees established under section 86 of the Act and held in the previous 12 months, other than those minutes relating to a part of a meeting which was closed to members of the public under section 89 of the Act and are confidential information within the meaning of section 77(2) of the Act
- A register of delegations kept under sections 87(1) and 98(4), respectively, of the Act, including the date on which the last review took place under sections 86(6) and 98(6), respectively of the Act.

- A document containing details of all leases involving land which were entered into by the Council as lessor, including the lessee and the terms and the value of the lease.
- A register maintained under section 224(1A) of the Act of authorised officers appointed under that section.
- A list of donations and grants made by the Council in the previous 12 months, including the names of persons, who, or bodies which, have received a donation or grant and the amount of each donation or grant.

Best Value

Council incorporates the Best Value Principles outlined in section 208B of the Local Government Act 1989 through monthly performance business performance report submitted to Council on a monthly basis.

To further reflect the Shire's commitment to best value and continuous improvement, the organisation was restructured by the incoming Chief Executive Officer, Julie Salomon, in April 2020 to better reflect the changing needs of our community and to provide key focus areas for the organisation on community engagement, good governance, project delivery and customer service.

This was supported by the adoption of a Customer Service Charter outlining our commitment to the community about responding to their questions, requests and correspondence.

The following best value initiatives were undertaken during 2019-2020:

- Adoption and implementation of a Customer Service Charter identifying service standards and timeframes for responding to phone calls, requests and correspondence
- Instigation of a monthly report to Managers and the Executive Leadership Team around outstanding actions and response times to monitor how we meet the customer service charter
- Creation of a wide-ranging set of new policies and procedures to streamline compliance with legislation in the pursuit of good governance and to respond to the recommendations of the Victorian Auditor General's Office investigation into fraud and corruption controls

- Allocating more resources to a centralised procurement function to deliver independent, consistent and transparent procurement processes
- Highlighting the importance of local businesses in our circular economy by applying a percentage evaluation weighting on local businesses and employees
- A new process for seeking quotes, capability and local content prior to awarding works under a Panel of Supplier Contracts
- Undertaking internal audits of cumulative spend for the procurement of goods and services not subject to a contract
- Creation of a number of electronic workflows relating to a number of functions including planning permit applications, payment of invoices, conflict of interest disclosures to achieve efficiencies, reduce paper based tasks and support remote working due to the COVID- 19 pandemic
- Development of a comprehensive project planning and management framework to deliver infrastructure projects more efficiently and effectively

Contracts

During the year, Strathbogie Shire entered into a contract valued at \$150,000 or more for services without engaging in a competitive process. The Shire did not complete Contract 12/13-23 after the specified six months and continued engaging the contractor until 2019-2020 financial year.

No contracts for \$200,000 or more for works of a kind specified in section 186(5)(a) and (c) of the Act were entered into without engaging in a competitive process.

Disability Action

In accordance with section 38 of the *Disability Act 2006*, as council has prepared a Disability Action Plan it must report on the implementation of this plan in its Annual Report. Council has incorporated the Disability Action Plan into the Municipal Public Health and Wellbeing 'Liveability Plan'.

The Liveability Plan 2017-2021 has been created to address health and wellbeing challenges and pursue opportunities to improve future outcomes for individuals and

the community across the life course.

The key actions implemented during 2019-2020 are:

- Facilitation of the Access and Disability Advisory Committee to discuss and have input into Council plans and to identify issues raised by community in relation to access.
- Distribution of the Good Access = Good Business information via the Business networks
- Event held in partnership with the Euroa Secondary College to acknowledge International Day of Disability in December 2019. This involved guest speakers and wheelchair basketball and wheelchair AFL activities

Domestic Animal Management Plan

In accordance with the *Domestic Animals Act 1994*, Strathbogie Shire is required to prepare a Domestic Animal Management Plan at four yearly intervals. The Shire's current Domestic Animal Management Plan 2017-2021 was adopted by Council in July 2017 and was last reviewed in March 2019. The purpose of the plan is to guide Council's planning and decision-making in relation to regulatory controls and service provision that promote the value of responsible pet ownership and high standards of animal welfare.

Key actions and outcomes detailed in the plan for the 2019-2020 financial year are captured below:

- 2181 Registered dogs
- 434 Registered cats
- 263 Reports of domestic animals collected
- 63 Impounded animals returned to owners
- 18 Reported animal attacks
- 2 Declared menacing dogs
- 18 Animals rehomed

Food Act Ministerial Directions

In accordance with section 7E of the *Food Act 1984*, Council is required to publish a summary of any Ministerial Directions received during the financial year in its Annual Report. No such Ministerial Directions were received by Council during the 2019-2020 financial year.

Road Management Act Ministerial Direction

In accordance with section 22 of the *Road Management Act 2004*, Council must publish a copy or summary of any Ministerial direction in its Annual Report. No such Ministerial directions were received by Council during the 2019-2020 financial year.

Freedom of Information

In accordance with section 7(4AA)(a) and 7(4AA)(b) of the *Freedom of Information Act 1982*, Council is required to publish certain statements in their Annual Report or separately such as on its website, concerning its functions and information available. Council has chosen to publish the statements separately, however, provides the following summary of the application and operation of the Freedom of Information Act 1982.

Access to documents may be obtained through written request to the Freedom of Information Officer, as detailed in section 17 of the Freedom of Information Act 1982 and in summary as follows:

- It should be in writing
- It should identify as clearly as possible which document is being requested
- It should be accompanied by the appropriate application fee (the fee may be waived in certain circumstances).

Requests for documents in the possession of Council should be addressed to the Freedom of Information Officer. Requests can also be lodged online or by email.

Access charges may also apply once documents have been processed and a decision on access is made (e.g. photocopying and search and retrieval charges).

Further information regarding freedom of information requests can be found at www.foi.vic.gov.au and on the Strathbogie Shire Council website at www.strathbogie.vic.gov.au

Protected Disclosure procedures

The *Protected Disclosure Act 2012* was amended by the State Government in 2019 and has not become the *Public Interest Disclosures Act 2012*. This act aims to ensure openness and accountability by encouraging people to disclose suspected improper conduct by our staff, councillors or Council committee members.

Council takes its role seriously as a nominated agency that can receive disclosures. Our Protected Disclosure Policy outlines procedures for confidentially investigating any complaints we may receive. We have appointed a Protected Disclosure Coordinator to act as the primary contact person and investigator for all matters raised with us under the Act.

Protections are in place for the person making the disclosure and those who are the subject of the disclosure throughout an investigation. The welfare of all parties is our utmost concern.

During the 2019-2020 year, one disclosure was notified to the Protected Disclosure Officer appointed to receive disclosures from the Victorian Ombudsman.

Procedures on how to make a disclosure are publicly available on Council's website:

www.strathbogie.vic.gov.au/council/plans-policies-strategies-a-reports/corporate

A large, gnarled tree with thick, dark branches dominates the foreground. The tree's trunk is thick and textured, with several large, spreading branches. The background shows a calm body of water, possibly a lake or a wide river, reflecting the sky. The far bank is lined with a dense forest of green trees. The sky is a clear, bright blue. The overall scene is peaceful and natural. The text "Financial Reporting" is overlaid in white, bold, sans-serif font on the right side of the image.

Financial Reporting

Performance Statement

For the year ended
30 June 2020

Performance Statement

For the year ended 30 June 2020

Description of municipality

Strathbogie Shire is a rural municipality located approximately two hours from the Melbourne CBD and covers 330,326 hectares. We have diverse and picturesque communities served by townships such as Euroa, Nagambie, Violet Town, Avenel, Longwood, Ruffy and Strathbogie with a population of over 10,000 and growing. The Shire has an ageing population with 38% of residents aged 60 years and over. Approximately eight out of ten residents were born in Australia and about 5% of people came from countries where English was not their first language.

The Strathbogie Shire has a rural economic base of wool, grain, sheep and cattle production, extensive vineyards, world class wineries and a wide range of intensive cool climate horticultural enterprises. The region is also known as the Horse Capital of Victoria due to its ever expanding horse industry. Thoroughbred breeding studs are the cornerstone of this important industry, with many prestigious Melbourne Cup winners bred and trained in the shire. Nagambie is also the birthplace of Black Caviar, the world champion horse, and now has a life-size bronze statue sitting pride of place at Jacobson's Outlook.

Sustainable Capacity Indicators

For the year ended 30 June 2020

<i>Indicator/measure</i>	Results				Material Variations
	2017	2018	2019	2020	
Population					
<i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$2,614.58	\$3,031.18	\$2,691.78	\$2,647.81	
<i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$24,806.95	\$24,569.20	\$24,376.51	\$23,056.21	
<i>Population density per length of road</i> [Municipal population / Kilometres of local roads]	4.36	4.41	4.49	4.89	No material variations
Own-source revenue					
<i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$1,943.07	\$1,972.55	\$1,991.64	\$1,991.84	No material variations
Recurrent grants					
<i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$999.52	\$747.68	\$671.58	\$766.72	Increase in Roads to Recovery funding
Disadvantage					
<i>Relative socio-economic disadvantage</i> [Index of Relative Socio-economic Disadvantage by decile]	3.00	4.00	4.00	4.00	

Definitions

"adjusted underlying revenue" means total income other than:

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

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

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

"population" means the resident population estimated by council

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

"relative socio-economic disadvantage", in relation to a municipality, means the relative socio-economic disadvantage, expressed as a decile for the relevant financial year, of the area in which the municipality is located according to the Index of Relative Socio-Economic Disadvantage

(Catalogue Number 2033.0.55.001) of SEIFA

"SEIFA" means the Socio-Economic Indexes for Areas published from time to time by the Australian Bureau of Statistics on its Internet website

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

Service Performance Indicators

For the year ended 30 June 2020

Service/indicator/measure	Results				Material Variations
	2017	2018	2019	2020	
Aquatic facilities Utilisation <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	3.75	3.44	2.90	1.82	Aquatic facilities closed due to bushfire smoke, mechanical issues
Animal management Health and safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	New in 2020	New in 2020	New in 2020	0.00	No prosecutions in 2019/20
Animal management Health and Safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	0.00	0.00	0.00	Retired in 2020	
Food safety Health and safety <i>Critical and major non-compliance notifications</i> [Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up / Number of critical non- compliance notifications and major non- compliance notifications about food premises] x100	0.00%	0.00%	100.00%	86.67%	13 out of 15 notifications followed up

Service/indicator/measure	Results				Material Variations
	2017	2018	2019	2020	
Governance					
Satisfaction					
<i>Satisfaction with council decisions</i> [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	38.00	48.00	55.00	49.00	
Libraries					
Participation					
<i>Active library members</i> [Number of active library members / Municipal population] x100	23.11%	22.30%	23.32%	24.17%	No material variation
Maternal and child health					
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	83.87%	77.87%	73.96%	73.94%	No material variation
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	100%	92.31%	87.50%	87.18%	No material variation
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]	43.00	47.00	51.00	51.00	

Service/indicator/measure	Results				Material Variations
	2017	2018	2019	2020	
Statutory Planning					
Decision making					
<i>Council planning decisions upheld at VCAT</i>	0.00%	0.00%	0.00%	50.00%	2 appeals, one of which was upheld
[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					
Waste Collection					
Waste diversion					
<i>Kerbside collection waste diverted from landfill</i>	70.30%	69.75%	69.41%	70.27%	No material variation
[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100					
<p>Definitions</p> <p>"Aboriginal child" means a child who is an Aboriginal person</p> <p>"Aboriginal person" has the same meaning as in the Aboriginal Heritage Act 2006</p> <p>"active library member" means a member of a library who has borrowed a book from the library</p> <p>"annual report" means an annual report prepared by a council under sections 131, 132 and 133 of the Act</p> <p>"CALD" means culturally and linguistically diverse and refers to persons born outside Australia in a country whose national language is not English</p> <p>"class 1 food premises" means food premises, within the meaning of the <i>Food Act 1984</i>, that have been declared as class 1 food premises under section 19C of that Act</p> <p>"class 2 food premises" means food premises, within the meaning of the <i>Food Act 1984</i>, that have been declared as class 2 food premises under section 19C of that Act</p> <p>"Community Care Common Standards" means the Community Care Common Standards for the delivery of HACC services, published from time to time by the Commonwealth</p> <p>"critical non-compliance outcome notification" means a notification received by council under section 19N(3) or (4) of the <i>Food Act 1984</i>, or advice given to council by an authorized officer under that Act, of a deficiency that poses an immediate serious threat to public health</p> <p>"food premises" has the same meaning as in the <i>Food Act 1984</i></p> <p>"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</p>					

Commonwealth

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

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

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

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

"population" means the resident population estimated by council

"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

"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*.

Financial Performance Indicators

For the year ended 30 June 2020

Dimension/indicator/ measure	Results				Forecasts				Material Variations
	2017	2018	2019	2020	2021	2022	2023	2024	
Efficiency									
Revenue level									
<i>Average rate per property assessment</i> [General rates and Municipal Charges/Number of property assessments]	New in 2020	New in 2020	New in 2020	\$2,141.75	\$2,154.38	\$2,208.25	\$2,263.50	\$2,320.00	
Revenue Level									
<i>Average Residential rate per residential property assessment</i> [Residential rate revenue/Number of residential property assessments]	\$1,967.20	\$1,998.20	\$2,035.00	Retired in 2020					
Expenditure level									
<i>Expenses per property assessment</i> [Total expenses / Number of property assessments]	\$3,375.75	\$3,961.38	\$3,581.75	\$3,568.25	\$3,951.25	\$3,724.00	\$3,814.38	\$3,891.50	

Dimension/indicator/ measure	Results				Forecasts				Material Variations
	2017	2018	2019	2020	2021	2022	2023	2024	
Workforce turnover <i>Resignations and terminations compared to average staff</i> [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	12.70%	8.50%	17.40%	20.6%	9.43%	9.43%	9.43%	9.43%	
Liquidity Working capital <i>Current assets compared to current liabilities</i> [Current assets / Current liabilities] x100	244.00%	281.00%	215.08%	264.74%	207.32%	114.71%	113.61%	130.07%	
Unrestricted cash <i>Unrestricted cash compared to current liabilities</i> [Unrestricted cash / Current liabilities] x100	197.06%	138.10%	91.96%	-14.86%	174.97%	76.49%	75.79%	91.23%	2020 \$13.7 m now classified as other Financial assets not Cash and Investments as previously
Obligations Asset Renewal <i>Asset renewal compared to depreciation</i> [Asset renewal expense/Asset depreciation] x100	98.28%	147.87%	147.17%	Retired in 2020					

Dimension/indicator/ measure	Results				Forecasts				Material Variations
	2017	2018	2019	2020	2021	2022	2023	2024	
Asset renewal and upgrade compared to depreciation Asset renewal and upgrade compared to depreciation [Asset renewal and upgrade expenses / Asset depreciation] x100	New in 2020	New in 2020	New in 2020	107.16%	183.39%	193.42%	73.21%	73.94%	
Loans and borrowings compared to rates Loans and borrowings compared to rates [Interest bearing loans and borrowings / Rate revenue] x100	6.65%	3.73%	2.65%	1.86%	26.52%	23.99%	21.54%	19.17%	Borrowings repaid, no new borrowings
Loans and borrowings repayments compared to rates Loans and borrowings repayments compared to rates	3.13%	3.05%	1.17%	0.82%	0.51%	2.42%	2.34%	2.25%	Borrowings repaid, no new borrowings
Indebtedness Non-current liabilities compared to own source revenue [Non-current liabilities / Own source revenue]x100	9.53%	30.38%	24.74%	26.79%	56.11%	45.81%	22.80%	20.60%	

	Results				Forecasts				
Dimension/indicator/ measure	2017	2018	2019	2020	2021	2022	2023	2024	Material Variations
Operating position									
Adjusted underlying result									
<i>Adjusted underlying surplus (or deficit)</i> [Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100	11.41%	-6.33%	1.03%	9.07%	8.45%	2.95%	1.49%	3.38%	Movement due to change of Accounting Standard for Grant recognition
Stability									
Rates concentration									
<i>Rates compared to adjusted underlying revenue</i> [Rate revenue / Adjusted underlying revenue] x100	59.27%	62.16%	65.73%	63.15%	57.75%	66.58%	67.64%	66.65%	No material variation
Rates effort									
<i>Rates compared to property values</i> [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.64%	0.64%	0.58%	0.56%	0.56%	0.57%	0.58%	0.59%	No material variation

Definitions

"adjusted underlying revenue" means total income other than:

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

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

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

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

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

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

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

"non-recurrent grant" means a grant obtained on the condition that it be expended in a specified manner and is not expected to be received again

during the period covered by a council's Strategic Resource Plan

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

"population "means the resident population estimated by council

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

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

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

"restricted cash" means cash and cash equivalents, within the meaning of the AAS, that are not available for use other than for a purpose for

which it is restricted, and includes cash to be used to fund capital works expenditure from the previous financial year

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

Other Information

For the year ended 30 June 2020

1. Basis of preparation

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

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

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

The forecast figures included in the performance statement are those adopted by council in its strategic resource plan on 14 July 2020 and which forms part of the council plan. The strategic resource plan includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General Purpose Financial Statements. The strategic resource plan can be obtained by contacting council.

Certification of the Performance Statement

In my opinion, the accompanying performance statement has been prepared in accordance with the *Local Government Act 1989* and the Local Government (Planning and Reporting) Regulations 2014.



Upul Sathurusinghe

Principal Accounting Officer

Date : 20 October 2020, Euroa, Victoria

In our opinion, the accompanying performance statement of the Shire of Strathbogie for the year ended 30 June 2020 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.

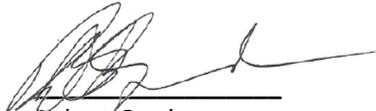
At the date of signing, we are not aware of any circumstances that would render any particulars in the performance statement to be misleading or inaccurate. We have been authorised by the council and by the Local Government (Planning and Reporting) Regulations 2014 to certify this performance statement in its final form.



Amanda McClaren

Councillor

Date: 20 October 2020, Euroa, Victoria



Robert Gardner

Councillor

Date: 20 October 2020, Euroa, Victoria



Julie Salomon

Chief Executive Officer

Date: 20 October 2020, Euroa, Victoria

Independent Auditor's Report

To the Councillors of Strathbogie Shire Council

<p>Opinion</p>	<p>I have audited the accompanying performance statement of Strathbogie Shire Council (the council) which comprises the:</p> <ul style="list-style-type: none"> • description of municipality for the year ended 30 June 2020 • sustainable capacity indicators for the year ended 30 June 2020 • service performance indicators for the year ended 30 June 2020 • financial performance indicators for the year ended 30 June 2020 • notes to the performance statement and • the 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 2020 in accordance with the performance reporting requirements of Part 6 of the <i>Local Government Act 1989</i>.</p>
<p>Basis for Opinion</p>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the performance statement</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. I and my staff are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the performance statement in Victoria and have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<p>Councillors' responsibilities for the performance statement</p>	<p>The Councillors is responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the <i>Local Government Act 1989</i> and for such internal control as the Councillors determines is necessary to enable the preparation and fair presentation of the statement of performance that is free from material misstatement, whether due to fraud or error.</p>
<p>Auditor's responsibilities for the audit of the performance statement</p>	<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 performance statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the council's internal control
- evaluate the overall presentation, structure and content of the performance statement, including the disclosures, and whether performance statement represents the underlying events and results in a manner that achieves fair presentation.

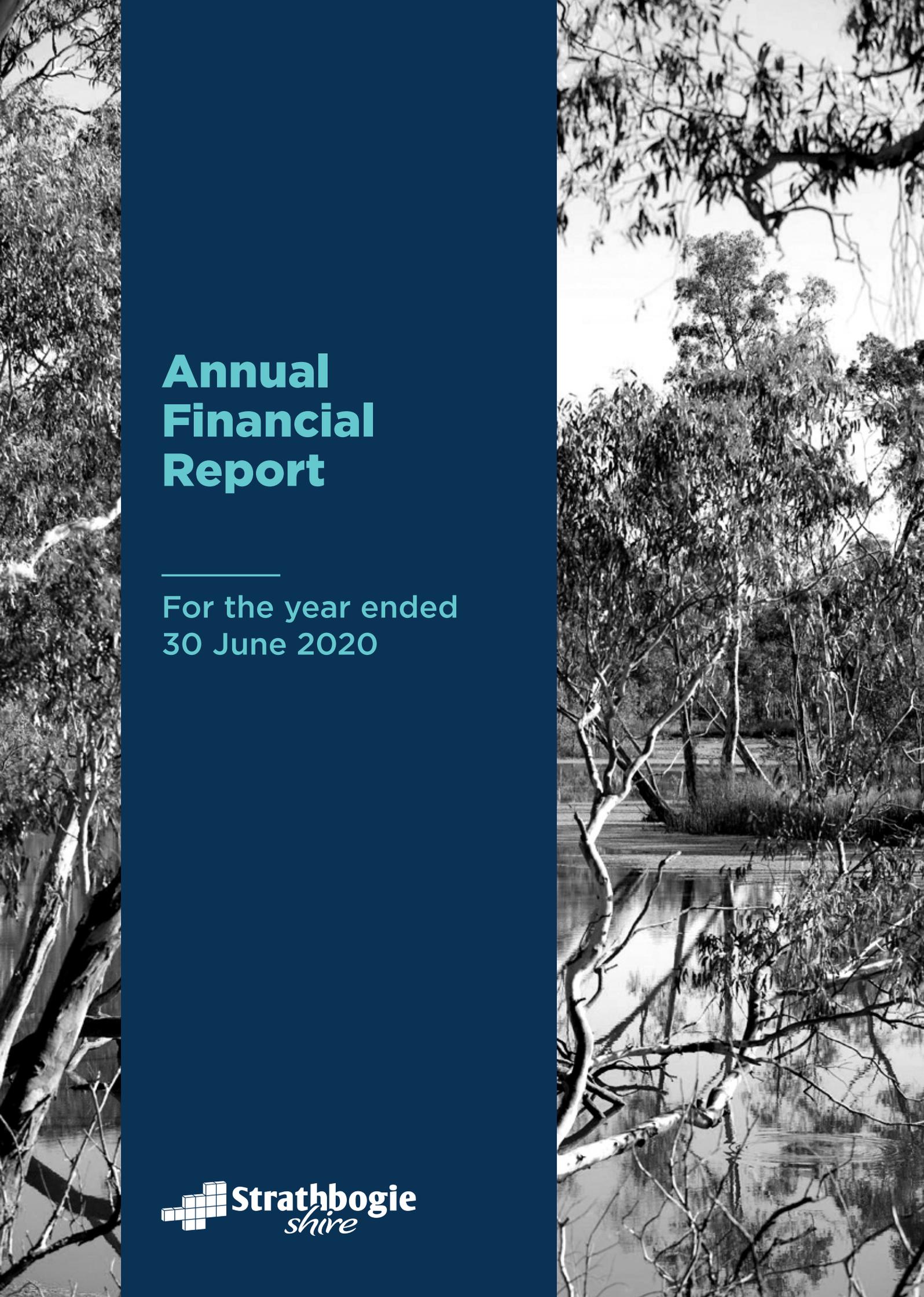
I communicate with the Councillors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

MELBOURNE
30 October 2020



Sanchu Chummar

as delegate for the Auditor-General of Victoria



Annual Financial Report

For the year ended
30 June 2020

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Strathbogrie Shire Council
Financial Report
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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 (Planning and Reporting) Regulations 2014*, the Australian Accounting Standards and other mandatory professional reporting requirements.



Upul Sathurusinghe CPA
Principal Accounting Officer

Date : 20 October 2020
Euroa

In our opinion the accompanying financial statements present fairly the financial transactions of Strathbogie Shire Council for the year ended 30 June 2020 and the financial position of the Council as at that date.

As at the date of signing, we are not aware of any circumstances that 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.



Amanda McClaren
Councillor

Date : 20 October 2020
Euroa



Robert 'Bob' Gardner
Councillor

Date : 20 October 2020
Euroa



Julie Salomon
Chief Executive Officer

Date : 20 October 2020
Euroa

Independent Auditor's Report

To the Councillors of Strathbogie Shire Council

Opinion	<p>I have audited the financial report of Strathbogie Shire Council (the council) which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 30 June 2020 • 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 report. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2020 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 6 of the <i>Local Government Act 1989</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Councillors's 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
30 October 2020



Sanchu Chummar

as delegate for the Auditor-General of Victoria

**Comprehensive Income Statement
For the Year Ended 30 June 2020**

	Note	2020 \$	2019 \$
Income			
Rates and charges	3.1	19,824,720	19,077,636
Statutory fees and fines	3.2	401,657	537,718
User fees	3.3	663,298	802,550
Grants - operating	3.4	7,405,568	6,587,782
Grants - capital	3.4	4,174,796	6,129,548
Contributions - monetary	3.5	355,983	386,742
Contributions - non monetary	3.5	-	748,380
Net gain (or loss) on disposal of property, infrastructure, plant and equipment	3.6	99,764	72,133
Share of net profits (or loss) of associates and joint ventures	6.3	8,714	-
Other income	3.7	474,943	711,670
Total income		<u>33,409,443</u>	<u>35,054,159</u>
Expenses			
Employee costs	4.1	(10,334,810)	(10,455,706)
Materials and services	4.2	(11,318,009)	(11,398,828)
Depreciation	4.3	(6,030,979)	(5,929,723)
Amortisation - intangible assets	4.4	(59,845)	-
Amortisation - right of use assets	4.5	(199,732)	-
Bad and doubtful debts	4.6	(50,233)	-
Borrowing costs	4.7	(25,783)	(36,015)
Share of net profits (or loss) of associates and joint ventures	6.3	-	(17,555)
Finance costs - leases	4.8	(21,467)	-
Other expenses	4.9	(505,109)	(817,424)
Total expenses		<u>(28,545,967)</u>	<u>(28,655,251)</u>
Surplus/(deficit) for the year		<u>4,863,476</u>	<u>6,398,908</u>
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation increment/(decrement)	6.2	(17,565,870)	(2,655,794)
Total comprehensive result		<u>(12,702,394)</u>	<u>3,743,114</u>

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

Balance Sheet
As at 30 June 2020

	Note	2020 \$	2019 \$
Assets			
Current assets			
Cash and cash equivalents	5.1	2,873,672	10,616,477
Trade and other receivables	5.1	3,118,075	3,532,818
Other financial assets	5.1	13,704,764	-
Non-current assets classified as held for sale	6.1	690,384	273,000
Other assets	5.2	762,932	1,538,959
Total current assets		21,149,827	15,961,254
Non-current assets			
Trade and other receivables	5.1	57,513	83,325
Other financial assets	5.1	2,032	2,032
Investments in associates, joint arrangements and subsidiaries	6.3	227,146	218,432
Property, infrastructure, plant and equipment	6.2	280,818,279	292,152,621
Right-of-use assets	5.8	872,530	-
Intangible assets	5.2	106,703	-
Total non-current assets		282,084,203	292,456,410
Total assets		303,234,030	308,417,664
Liabilities			
Current liabilities			
Trade and other payables	5.3	2,154,303	3,089,020
Trust funds and deposits	5.3	381,474	685,487
Unearned income	5.3	1,441,712	-
Provisions	5.5	3,695,814	3,511,174
Interest-bearing liabilities	5.4	86,116	136,373
Lease liabilities	5.8	230,029	-
Total current liabilities		7,989,448	7,422,054
Non-current liabilities			
Trust funds and deposits	5.3	64,203	64,203
Provisions	5.5	4,752,639	4,812,215
Interest-bearing liabilities	5.4	282,425	368,541
Lease liabilities	5.8	652,421	-
Total non-current liabilities		5,751,688	5,244,959
Total liabilities		13,741,137	12,667,013
Net assets		289,492,893	295,750,651
Equity			
Accumulated surplus		98,252,685	93,389,208
Reserves	9.1	191,240,208	202,361,443
Total Equity		289,492,893	295,750,651

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

Statement of Changes in Equity For the Year Ended 30 June 2020

2020	Note	Total \$	Accumulated Surplus \$	Revaluation Reserve \$	Other Reserves \$
Balance at beginning of the financial year		295,750,650	93,389,208	201,502,484	858,958
Impact of change in accounting policy - AASB 15 Revenue from Contracts with Customers	10	-	-	-	-
Impact of change in accounting policy - AASB 1058 Income of Not-for-Profit Entities	10	-	-	-	-
Impact of change in accounting policy - AASB 16 Leases	5.8	-	-	-	-
Adjusted Opening balance		295,750,650	93,389,208	201,502,484	858,958
Surplus/(deficit) for the year		4,863,476	4,863,476	-	-
Net asset revaluation increment/(decrement)	6.2	(17,565,870)	-	(17,565,870)	-
Assets recognised first time	6.2	6,444,636	-	6,444,636	-
		289,492,892	98,252,684	190,381,250	858,958
Balance at end of the financial year		289,492,892	98,252,684	190,381,250	858,958

2019		Total \$	Accumulated Surplus \$	Revaluation Reserve \$	Other Reserves \$
Balance at beginning of the financial year		292,007,536	86,990,300	204,158,278	858,958
Surplus/(deficit) for the year		6,398,908	6,398,908	-	-
Net asset revaluation increment/(decrement)	6.2	(2,655,794)	-	(2,655,794)	-
Balance at end of the financial year		295,750,650	93,389,208	201,502,484	858,958

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows
For the Year Ended 30 June 2020

	Note	2020 Inflows/ (Outflows) \$	2019 Inflows/ (Outflows) \$
Cash flows from operating activities			
Rates and charges		19,149,820	18,789,132
Statutory fees and fines		401,657	537,718
User fees		527,310	802,550
Grants - operating		9,091,084	4,434,221
Grants - capital		5,595,329	6,109,464
Contributions - monetary		359,165	370,242
Interest received		179,278	228,732
Dividends received		-	586
Trust funds and deposits taken		1,703,481	1,863,597
Other receipts		459,685	168,489
Net GST refund/payment		1,781,544	2,355,628
Employee costs		(10,209,745)	(10,167,224)
Materials and services		(13,843,090)	(13,211,326)
Trust funds and deposits repaid		(1,985,486)	(1,949,546)
Other payments		(334,169)	(366,032)
Net cash provided by/(used in) operating activities		<u>12,875,863</u>	<u>9,966,232</u>
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment	6.2	(6,770,973)	(13,789,970)
Payments for intangible assets	5.2 (b)	(31,629)	-
Proceeds from sale of property, infrastructure, plant and equipment		262,134	584,157
Payments for investments - Other Financial Assets		(13,704,764)	-
Net cash provided by/(used in) investing activities		<u>(20,245,232)</u>	<u>(13,205,813)</u>
Cash flows from financing activities			
Finance costs		(25,783)	(36,015)
Repayment of borrowings		(136,373)	(185,720)
Repayment of lease liabilities		(211,279)	-
Net cash provided by/(used in) financing activities		<u>(373,435)</u>	<u>(221,735)</u>
Net increase (decrease) in cash and cash equivalents		(7,742,804)	(3,461,316)
Cash and cash equivalents at the beginning of the financial year		10,616,477	14,077,793
Cash and cash equivalents at the end of the financial year		<u>2,873,672</u>	<u>10,616,477</u>
Financing arrangements	5.6		
Restrictions on cash assets	5.1		

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

**Statement of Capital Works
For the Year Ended 30 June 2020**

	Note	2020 \$	2019 \$
Property			
Buildings		1,104,510	1,033,441
Total property		1,104,510	1,033,441
Plant and equipment			
Plant, machinery and equipment		353,183	659,068
Fixtures, fittings and furniture		223,985	214,849
Intangible Assets		31,629	-
Total plant and equipment		608,796	873,917
Infrastructure			
Roads		3,219,159	8,375,415
Bridges and culverts		206,434	1,852,102
Footpaths and cycleways		317,817	133,716
Drainage		132,183	747,652
Parks, open space and streetscapes		1,213,703	803,727
Total infrastructure		5,089,297	11,912,612
Total capital works expenditure		6,802,602	13,819,970
Represented by:			
New asset expenditure		340,246	2,242,729
Asset renewal expenditure		4,863,710	8,725,654
Asset expansion expenditure		-	37,856
Asset upgrade expenditure		1,598,646	2,783,731
Total capital works expenditure		6,802,602	13,789,970

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

OVERVIEW

Introduction

The Strathgogie 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 the corner of Binney and Bury Streets, Euroa, Victoria 3666.

Statement of compliance

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

Significant accounting policies

(a) Basis of accounting

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

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

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

- the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 6.2)
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 6.2)
- the determination of employee provisions (refer to Note 5.5)
- the determination of landfill provisions (refer to Note 5.5)
- the determination of whether performance obligations are sufficiently specific so as to determine whether an arrangement is within the scope of *AASB 15 Revenue from Contracts with Customers* or *AASB 1058 Income of Not-for-Profit Entities* (refer to Note 3)
- the determination, in accordance with *AASB 16 Leases*, of the lease term, the estimation of the discount rate when not implicit in the lease and whether an arrangement is in substance short-term or low value (refer to Note 5.8)
- other areas requiring judgements

Unless otherwise stated, all accounting policies are consistent with those applied in the prior year. Where appropriate, comparative figures have been amended to accord with current presentation (except where transitional requirements of *AASB 15 Revenue from Contracts with Customers*, *AASB 16 Leases* and *AASB 1058 Income of Not-for-Profit Entities* do not require restatement of comparatives under the modified retrospective approach adopted by the Council), and disclosure has been made of any material changes to comparatives.

(b) COVID 19

On 30 January 2020, COVID 19 was declared as a global pandemic by world health organisation. Since then, various measures were taken by all three levels of Government in Australia to reduce the spread of COVID-19. This crisis and measures taken to mitigate it has impacted council operations in the following areas for the financial year ended 30 June 2020:

- In response to significant decrease in demand / government directive amidst the COVID-19 outbreak, the libraries and community centres were closed. These closures resulted in a decrease in the council user fee revenue less than \$50,000.
- Council activated its hardship policy in response to this crisis on 1/05/ 2020. Take up has been minimal (<\$10,000) with an increased number of ratepayers entering into repayment arrangements.
- Council extended the payment date for the 4th instalment until 30 June 2020 and in July payments of approx. \$150,000 more than in July 2019 were received, meaning a net increase in rate debtors of approx. \$550,000.
- Financial impact till date from deferral of rates revenue/ interest free period is \$10,000. This has also resulted in the debtor balance as at 30 June 2020 to increase by \$709,000 compared to last year.

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 \$100,000 where further explanation is warranted. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

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

1.1 Income and expenditure

	Budget 2020 \$	Actual 2020 \$	Variance 2020 \$	Variance 2020 %	Ref
Income					
Rates and charges	19,844,000	19,824,720	(19,280)	0%	
Statutory fees and fines	530,000	401,657	(128,343)	-24%	1
User fees	771,000	663,298	(107,702)	-14%	2
Grants - operating	3,316,000	7,405,568	4,089,568	123%	3
Grants - capital	4,334,000	4,174,796	(159,204)	-4%	4
Contributions - monetary	373,000	355,983	(17,017)	-5%	
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	(500,000)	99,764	599,764	-120%	5
Share of net profits/(losses) of associates and joint ventures	-	8,714	8,714	0%	
Other income	416,000	474,943	58,943	14%	6
Total income	29,084,000	33,409,443	4,325,443	15%	
Expenses					
Employee costs	10,483,000	10,334,810	148,190	1%	7
Materials and services	11,488,000	11,318,009	169,991	1%	8
Depreciation	5,900,000	6,030,979	(130,979)	-2%	9
Amortisation - Intangible assets	-	59,845	(59,845)	0%	
Amortisation - Right of use assets	-	199,732	(199,732)	0%	10
Bad and doubtful debts	-	50,233	(50,233)	0%	
Borrowing costs	23,000	25,783	(2,783)	-12%	11
Finance costs - Leases	-	21,467	(21,467)	0%	
Other expenses	300,000	505,109	(205,109)	-68%	12
Total expenses	28,194,000	28,545,967	(351,967)	-1%	
Surplus/(deficit) for the year	890,000	4,863,476	3,973,476	446%	

(i) Explanation of material variations

1	Statutory fees and fines	Reduction in animal registration (\$26K), building fee (\$29K), written off health registration due to COVID-19 (\$62K) and subdivision fees (\$12K)
2	User fees	Reduction in fees due to less economic activities from COVID-19 impact. Some reductions are cinema (\$9K), saleyard (\$23k) and miscellaneous (\$155K).
3	Grants - operating	Increase due to early payment of 50% Grants Commission 2020/21 allocation (\$2.8 million); unbudgeted grants 'Working for Victoria' (\$752K) and storm event grant accrual (\$379K).
4	Grants - capital	Additional grants of R2R (\$720K), unbudgeted drought relief grants (\$900K) less unearned grant income (\$1,165K).
5	Net gain/(loss) on disposal of property, infrastructure, plant and equipment	Budgeted fleet replacement program has been delayed until 2020/21 financial year.
6	Other income	Miscellaneous income increase (\$39K), insurance recoveries (\$22K) and rent income (\$13K)
7	Employee costs	Savings due to vacancies during the year.
8	Materials and services	Unbudgeted emergency management (\$434K), savings in building maintenance (\$330K), general maintenance (\$376K) and consulting (\$236K).
9	Depreciation	Change in assets value after revaluation of buildings and recognition of heritage assets.
10	Amortisation - Right of use assets	Recognition of new expense under new accounting standard.
11	Borrowing costs	Minor variance due to lower interest expense in the budget.
12	Other expenses	Increased audit expenditure (\$22K) and other minor variations.

1.2 Capital works

	Budget 2020 \$	Actual 2020 \$	Variance \$	Variance %	Ref
Property					
Buildings	2,027,000	1,104,510	(922,490)	-46%	1
Total property	2,027,000	1,104,510	(922,490)	-46%	
Plant and equipment					
Plant, machinery and equipment	1,100,000	353,183	(746,817)	-68%	2
Fixtures, fittings and furniture	505,000	223,985	(281,016)	-56%	3
Intangible Assets	-	31,629	31,629	0%	
Total plant and equipment	1,605,000	608,796	(996,204)	-62%	
Infrastructure					
Roads	7,017,000	3,219,159	(3,797,841)	-54%	4
Bridges	954,000	206,434	(747,566)	-78%	5
Footpaths and cycleways	274,000	317,817	43,817	16%	6
Drainage	907,000	132,183	(774,817)	-85%	7
Parks, open space and streetscapes	1,871,000	1,213,703	(657,297)	-35%	8
Total infrastructure	11,023,000	5,089,297	(5,933,703)	-54%	
Total capital works expenditure	14,655,000	6,802,602	(7,852,398)	-54%	
Represented by:					
New asset expenditure	733,000	340,246	(392,754)	-54%	
Asset renewal expenditure	10,478,000	4,863,710	(5,614,290)	-54%	
Asset upgrade expenditure	3,444,000	1,598,646	(1,845,354)	-54%	
Total capital works expenditure	14,655,000	6,802,602	(7,852,398)	-54%	

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Buildings	Carried forward projects Nagambie High Street Toilets (\$362K), Euroa RSL Clubroom Expansion (\$148K) and other projects (\$541K) which partly offset by overspent in some projects.
2	Plant, machinery and equipment	Fleet replacement delayed to 2020/21 (\$500K).
3	Fixtures, fittings and furniture	Carry forward Euroa theatre seating (\$60K), IT replacement (\$199K).
4	Roads	Projects carry forward to next year due to project delays which include road rehabilitation (\$2.5m), roads zero class program (\$307Kk) and other road projects (\$607K).
5	Bridges	Carry forward bridges (\$63K) and unbudgeted Moormbool road (\$110K)
6	Footpaths and cycleways	Unbudgeted projects from drought funding (\$114K).
7	Drainage	Carry forward projects (\$591K).
8	Parks, open space and streetscapes	Carry forward Nagambie active open space (\$416K), Nagambie rec. reserve (\$250K).

Note 2 Analysis of Council results by program

Council delivers its functions and activities through the following programs.

2 (a) Community & Planning

Community & Planning provides high quality community focused programs. Service areas include maternal and child health, youth, seniors, community grants, arts and culture, tourism and economic development programs. It also includes strategic and statutory land use planning.

Corporate Leadership

Corporate Leadership provides effective governance, policy development, communication and human resources.

Corporate Operations

Corporate Operations provides strategic and financial management of the organisation. Service areas include regulatory services, local laws, financial management, emergency management, assets management, operations and emergency management.

Mayor & Councillors

Mayor & Councillors provides services for mayor and elected members.

2 (b) Summary of revenues, expenses, assets and capital expenses by program

	Income	Expenses	Surplus / (Deficit)	Grants included in income	Total assets
	\$	\$	\$	\$	\$
2020					
Community & Planning	2,119,604	(4,391,647)	(2,272,043)	1,636,548	46,650,962
Corporate Leadership	26,081	(2,273,961)	(2,247,880)	-	24,155,509
Corporate Operations	31,257,163	(21,570,860)	9,686,303	9,943,816	229,139,857
Mayor & Councillors	6,595	(309,499)	(302,904)	-	3,287,702
	33,409,443	(28,545,967)	4,863,476	11,580,364	303,234,030

	Income	Expenses	Surplus / (Deficit)	Grants included in income	Total assets
	\$	\$	\$	\$	\$
2019					
Community & Planning	6,289,656	(5,243,401)	1,046,255	5,571,814	64,321,760
Corporate Leadership	96,144	(2,049,727)	(1,953,583)	-	25,144,377
Corporate Operations	25,152,026	(17,502,713)	7,649,313	7,145,516	214,644,629
Mayor & Councillors	4,015	(351,091)	(347,076)	-	4,306,898
	31,541,841	(25,146,932)	6,394,909	12,717,330	308,417,664

Note: Council has done an organisation restructure during 2019/20 financial year. Comparatives has been adjusted to reflect the new organisation structure.

Note 3	Funding for the delivery of our services	2020	2019
3.1	Rates and charges	\$	\$

Council uses Capital Improved Value (CIV) as the basis of valuation of all properties within the municipal district. The CIV of a property is the valuation of the land and all improvements on the land.

The valuation base used to calculate general rates for 2019/20 was \$3.514 million (2018/19 \$3.270 million).

General rates	16,220,930	14,679,052
Municipal charge	913,057	1,808,780
Waste management charge	2,689,797	2,542,519
Special rates and charges	936	47,285
Total rates and charges	19,824,720	19,077,636

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

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

3.2 Statutory fees and fines

Building fees	66,113	80,310
Planning fees	217,164	248,395
Health registrations	14,212	69,792
Animal registrations	83,824	96,529
Land information certificates	16,983	18,204
Fire Prevention Notice Infringements	3,361	24,488
Total statutory fees and fines	401,657	537,718

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

3.3 User fees

Tip fees	148,373	122,972
Nagambie Lakes events	20,320	35,239
Saleyard operations revenue	231,965	293,117
Swimming pools revenue	10,193	23,432
Rent/lease Charges	93,337	90,573
Euroa Cinema	54,520	72,131
Septic tank fees	14,787	14,101
Other user charges and contributions	89,803	150,985
Total user fees	663,298	802,550
User fees by timing of revenue recognition		
User fees recognised at a point in time	663,298	802,550
Total user fees	663,298	802,550

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

3.4 Funding from other levels of government

Grants were received in respect of the following :

Summary of grants

Commonwealth funded grants	8,659,624	6,640,613
State funded grants	2,920,741	6,076,717
Total grants received	11,580,365	12,717,330

	2020	2019
	\$	\$
(a) Operating Grants		
<i>Recurrent - Commonwealth Government</i>		
Financial Assistance Grants	5,592,672	5,717,136
Senior Citizens Grants	2,600	2,600
<i>Recurrent - State Government</i>		
Maternal & Child Health	196,893	164,940
Community Safety	9,763	40,146
Youth	94,167	91,667
Pests and Plants Program	60,231	58,364
Municipal Emergency Resource Programme	60,000	60,000
Supported Playgroup	34,981	75,387
Vulnerable Persons Register	17,947	17,691
Boat Ramp Maintenance	8,500	-
School Crossing Supervision	24,696	-
Other	4,960	-
Total recurrent operating grants	6,107,410	6,227,931
<i>Non-recurrent - Commonwealth Government</i>		
Environmental planning	5,000	-
<i>Non-recurrent - State Government</i>		
Revaluation Assistance	-	29,927
LGA Small Scale Infrastructure Grant	10,395	12,455
Recreation-Non Capital	-	15,000
Southern Aurora Commemoration	-	150,000
Recycling - Non-recurrent	-	11,140
Local Government Energy Saver Grants - Operating	-	23,908
Free From Violence Project	-	69,941
Carbon Crunching Grant	-	32,480
Vic Health Walk To School	-	15,000
Emergency & Disaster Management	378,861	-
Working for Victoria	751,631	-
Planning and Business Case	59,271	-
Greening Euroa	-	-
Creative Victoria-Youth	25,000	-
Water/Waterways Management	28,000	-
Rural Council Victoria Summit	40,000	-
Total non-recurrent operating grants	1,298,158	359,851
Total operating grants	7,405,568	6,587,782

	2020	2019
	\$	\$
(b) Capital Grants		
Recurrent - Commonwealth Government		
Roads to recovery	2,159,352	920,877
Total recurrent capital grants	2,159,352	920,877
Non-recurrent - Commonwealth Government		
Drought Funding	900,000	-
Non-recurrent - State Government		
Local Government Energy Saver Grants - Capital	-	50,000
Roads and Bridges	886,194	550,000
Buildings	175,000	103,834
Recreation	59,300	403,700
Footpaths	33,000	-
Pick My Project	9,950	81,409
Water Management	-	32,000
Other Flood Recovery Grants	18,720	123,084
Flood Event 12/2017-Capital *	(127,125)	3,864,644
Environment	60,406	-
Total non-recurrent capital grants	2,015,444	5,208,671
Total capital grants	4,174,796	6,129,548

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

Operating		
Balance at start of year	30,000	399,696
Received during the financial year and remained unspent at balance date	273,582	30,000
Received in prior years and spent during the financial year	30,000	399,696
Balance at year end	273,582	30,000
Capital		
Balance at start of year	-	-
Received during the financial year and remained unspent at balance date	1,164,948	-
Received in prior years and spent during the financial year	-	-
Balance at year end	1,164,948	-

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

* Debit balance in grant income is due to reversal of excess income accrued in 2018/19 which include flood event grant \$112,125 and Southern Aurora Memorial Garden grant \$15,000.

3.5 Contributions

Monetary	355,983	386,742
Non-monetary	-	748,380
Total contributions	355,983	1,135,122

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

Roads	-	174,189
Bridges	-	41,513
Land under roads	-	30,600
Footpaths	-	97,940
Drainage	-	383,388
Other	-	20,750
Total non-monetary contributions	-	748,380

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

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

Proceeds of sale	262,134	584,157
Written down value of assets disposed	(162,370)	(512,024)
Total net gain/(loss) on disposal of property, infrastructure, plant and equipment	99,764	72,133

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

	2020	2019
	\$	\$
3.7 Other income		
Interest	182,861	232,886
Interest on rates	101,606	112,078
Diesel rebate	64,318	65,830
Insurance recoveries	22,586	92,829
Parental Leave Reimbursement	-	10,071
Other	103,572	197,976
Total other income	474,943	711,670

Interest is recognised as it is earned.

Other income is measured at the fair value of the consideration received or receivable and is recognised when Council gains control over the right to receive the income.

Note 4 The cost of delivering services

4.1 (a) Employee costs

Wages and salaries	8,981,108	9,086,602
WorkCover	173,593	203,259
Superannuation	828,063	815,758
Fringe benefits tax	134,925	175,489
Other	217,121	174,598
Total employee costs	10,334,810	10,455,706

(b) Superannuation

Council made contributions to the following funds:

Defined benefit fund

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	61,144	74,084
Employer contributions - other funds	-	-
	61,144	74,084
Employer contributions payable at reporting date.	-	-

Accumulation funds

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	422,704	377,456
Employer contributions - other funds	326,921	354,787
	749,625	732,243

Employer contributions payable at reporting date.	17,295	9,431
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Refer to note 9.3 for further information relating to Council's superannuation obligations.

4.2 Materials and services

Building maintenance	441,156	231,825
General maintenance	4,108,107	4,585,895
Utilities	267,025	383,019
Office administration	1,493,265	1,591,500
Information technology	687,652	627,637
Insurance	326,537	356,410
Consultants	1,235,190	1,355,922
Legal fees	134,774	122,530
Emergency Expense	434,399	-
Waste Management	2,189,904	2,144,090
Total materials and services	11,318,009	11,398,828

	2020	2019
	\$	\$
4.3 Depreciation		
Property	985,866	987,595
Plant and equipment	382,357	496,287
Furniture and Equipment	221,613	199,703
Infrastructure	4,441,143	4,246,138
Total depreciation	6,030,979	5,929,723
<i>Refer to note 5.2(c), 5.8 and 6.2 for a more detailed breakdown of depreciation and amortisation charges and accounting policy.</i>		
4.4 Amortisation - Intangible assets		
Software	59,845	-
Total Amortisation - Intangible assets	59,845	-
4.5 Amortisation - Right of use assets		
Property	9,206	-
Plant and equipment	190,526	-
Total Amortisation - Right of use assets	199,732	-
4.6 Bad and doubtful debts		
Rates debtors	429	-
Other debtors	49,804	-
Total bad and doubtful debts	50,233	-
Movement in provisions for doubtful debts		
Balance at the beginning of the year	7,025	7,025
New provisions recognised during the year	28,806	-
Balance at end of year	35,831	7,025
Provision for doubtful debt is recognised based on an expected credit loss model. This model considers both historic and forward looking information in determining the level of impairment.		
4.7 Borrowing costs		
Interest - Borrowings	25,783	36,015
Less capitalised borrowing costs on qualifying assets	-	-
Total borrowing costs	25,783	36,015
Borrowing costs are recognised as an expense in the period in which they are incurred, except where they are capitalised as part of a qualifying asset constructed by Council.		
4.8 Finance Costs - Leases		
Interest - Lease Liabilities	21,467	-
Total finance costs	21,467	-
4.9 Other expenses		
Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	48,400	35,000
Auditors' remuneration - Internal	50,890	88,857
Councillors' allowances	196,479	201,423
Other Councillor expenses	11,724	40,753
WDV of Infrastructure Assets Renewed	170,940	451,391
Election Expenses	26,676	-
Total other expenses	505,109	817,424

Note 5	Our financial position	2020	2019
5.1	Financial assets	\$	\$
	(a) Cash and cash equivalents		
	Cash on hand	1,827	2,770
	Cash at bank	1,621,845	2,408,995
	Term deposits	1,250,000	8,204,712
	Total cash and cash equivalents	2,873,672	10,616,477
	(b) Other financial assets		
	Share in MAV Purchasing Scheme	2,032	2,032
	Term deposits	13,704,764	-
	Total other financial assets	13,706,796	2,032
	Total financial assets	16,580,468	10,618,509

Councils 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)	445,677	749,690
Total restricted funds	445,677	749,690
Total unrestricted cash and cash equivalents	2,427,995	9,866,787

Intended allocations

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

- Cash held to fund carried forward capital works	3,498,000	2,933,000
- Open space reserve	108,958	108,958
- Bridge replacement reserve	-	750,000
- Caravan Park (operating and capital expense)	73,289	-
Total funds subject to intended allocations	3,680,247	3,791,958

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

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

	2020	2019
	\$	\$
(c) Trade and other receivables		
Current		
Rates debtors	2,134,307	1,433,595
Special rate assessment	9,184	-
Net GST Receivable	212,575	344,459
Other debtors	797,840	1,761,789
Provision for doubtful debts - other debtors	(35,831)	(7,025)
Total current trade and other receivables	<u>3,118,075</u>	<u>3,532,818</u>
Non-current		
<i>Statutory receivables</i>		
Special rate scheme	57,513	83,325
Total non-current trade and other receivables	<u>57,513</u>	<u>83,325</u>
Total trade and other receivables	<u>3,175,588</u>	<u>3,616,143</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.

(d) Ageing of Receivables

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

Current (not yet due)	504,879	887,792
Past due by up to 30 days	2,454	25,555
Past due between 31 and 180 days	163,932	424,156
Past due between 181 and 365 days	43,255	352,557
Past due by more than 1 year	83,320	71,729
Total trade and other receivables	<u>797,840</u>	<u>1,761,789</u>

5.2 Non-financial assets	2020	2019
	\$	\$
(a) Other assets		
Prepayments	255,819	239,106
Accrued income	501,824	1,286,045
Inventories	5,289	13,808
Total other assets	762,932	1,538,959
(b) Intangible assets		
Software	106,703	-
Total intangible assets	106,703	-
	Software	Total
	\$	\$
Gross carrying amount		
Balance at 1 July 2019	888,419	888,419
Additions from internal developments	-	-
Other additions	31,629	31,629
Balance at 1 July 2020	920,048	920,048
Accumulated amortisation and impairment		
Balance at 1 July 2019	(753,499)	(753,499)
Amortisation expense	(59,845)	(59,845)
Balance at 1 July 2020	(813,344)	(813,344)
Net book value at 30 June 2019	134,920	134,920
Net book value at 30 June 2020	106,703	106,703

Intangible assets with finite lives are amortised as an expense on a systematic basis over the asset's useful life. Amortisation is generally calculated on a straight line basis, at a rate that allocates the asset value, less any estimated residual value over its estimated useful life. Estimates of the remaining useful lives and amortisation method are reviewed at least annually, and adjustments made where appropriate.

5.3 Payables	2020	2019
	\$	\$
(a) Trade and other payables		
Trade payables	1,646,384	2,971,586
Accrued expenses	507,919	117,434
Total trade and other payables	2,154,303	3,089,020
(b) Trust funds and deposits		
Current		
Fire services levy	114,670	352,952
Retention amounts	133,432	178,103
Other refundable deposits	133,372	154,432
Total Current trust funds and deposits	381,474	685,487
Non-current		
Trust funds bequested	64,203	64,203
Total Non-Current trust funds and deposits	64,203	64,203
Total trust funds and deposits	445,677	749,690
(c) Unearned income		
Grants received in advance - Operating	273,582	-
Grants received in advance - Capital	1,164,948	-
Other	3,182	-
Total unearned income	1,441,712	-

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

Purpose and nature of items

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

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

5.4 Interest-bearing liabilities	2020	2019
	\$	\$
Current		
Bank overdraft	-	-
Borrowings - secured	86,116	136,373
	<u>86,116</u>	<u>136,373</u>
Non-current		
Borrowings - secured	282,425	368,541
	<u>282,425</u>	<u>368,541</u>
Total	<u>368,541</u>	<u>504,914</u>

Borrowings are secured by (insert security details)

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

Not later than one year	86,116	136,373
Later than one year and not later than five years	282,425	368,541
Later than five years	-	-
	<u>368,541</u>	<u>504,914</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. The Council determines the classification of its interest bearing liabilities at initial recognition.

5.5 Provisions

	Employee	Landfill restoration	Total
	\$	\$	\$
2020			
Balance at beginning of the financial year	2,746,190	5,577,198	8,323,388
Additional provisions	1,030,226		1,030,226
Amounts used	(888,515)	-	(888,515)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	(36,911)	20,265	(16,646)
Balance at the end of the financial year	<u>2,850,990</u>	<u>5,597,463</u>	<u>8,448,453</u>
2019			
Balance at beginning of the financial year	2,538,065	5,496,841	8,034,906
Additional provisions	1,065,143	257,281	1,322,424
Amounts used	(1,020,109)	-	(1,020,109)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	163,091	(176,924)	(13,833)
Balance at the end of the financial year	<u>2,746,190</u>	<u>5,577,198</u>	<u>8,323,388</u>

	2020	2019
	\$	\$
(a) Employee provisions		
Current provisions expected to be wholly settled within 12 months		
Annual leave	415,968	609,053
Long service leave	34,103	385,973
Other	31,444	31,444
	<u>481,515</u>	<u>1,026,470</u>
Current provisions expected to be wholly settled after 12 months		
Annual leave	578,246	432,896
Long service leave	1,551,652	1,051,808
	<u>2,129,898</u>	<u>1,484,704</u>
Total current employee provisions	<u>2,611,413</u>	<u>2,511,174</u>
Non-current		
Long service leave	239,577	235,016
Total non-current employee provisions	<u>239,577</u>	<u>235,016</u>
Aggregate carrying amount of employee provisions:		
Current	2,611,413	2,511,174
Non-current	239,577	235,016
Total aggregate carrying amount of employee provisions	<u>2,850,990</u>	<u>2,746,190</u>

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

Wages and salaries and annual leave

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

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

Long service leave

Liability for long service leave (LSL) is recognised in the provision for employee benefits. 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:

- discount rate	0.87%	1.16%
- index rate	1.60%	2.00%

(b) Landfill restoration

Current	1,084,402	1,000,000
Non-current	4,513,062	4,577,199
	<u>5,597,464</u>	<u>5,577,199</u>

Council is obligated to restore Violet Town 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. Council has engaged a contractor to estimate future restoration works, this work will be completed in early part of 2020/21 financial year.

Key assumptions:

- discount rate	0.87%	1.15%
- index rate	1.25%	2.25%

5.6 Financing arrangements

The Council has the following funding arrangements in place as at 30th June 2020.

Bank overdraft	2,290,000	2,290,000
Loan facilities	368,541	504,914
Credit card facilities	100,000	100,000
Total facilities	<u>2,758,541</u>	<u>2,894,914</u>
Used facilities	(376,363)	(517,410)
Unused facilities	<u>2,382,178</u>	<u>2,377,504</u>

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.

	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
	\$	\$	\$	\$	\$
2020					
Operating					
Open space management	219,391	-	-	-	219,391
Governance	90,497	-	-	-	90,497
Home care services	13,992	13,609	-	-	27,601
Cleaning contracts for council buildings	44,553	44,553	122	-	89,228
Total	368,433	58,162	122	-	426,717
Capital					
Buildings	-	-	-	-	-
Roads	-	-	-	-	-
Drainage	-	-	-	-	-
Total	-	-	-	-	-
2019					
Operating					
Open space management	798,378	453,564	-	-	1,251,942
Governance	74,618	101,728	101,728	-	278,074
Human Resources	12,944	14,005	14,005	-	40,954
Finance	26,756	26,756	80,268	-	133,780
Total	912,696	596,053	196,001	-	1,704,750
Capital					
Bridges	216,127	-	-	-	216,127
Roads	21,226	-	-	-	21,226
Plant	277,623	-	-	-	277,623
Total	514,976	-	-	-	514,976

5.8 Leases

Policy applicable before 1 July 2019

As a lessee, council classifies leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to council.

Operating lease payments, including any contingent rentals, were recognised as an expense in the comprehensive income statement on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset. The leased asset was not recognised in the balance sheet.

All incentives for the agreement of a new or renewed operating lease were recognised as an integral part of the net consideration agreed for the use of the leased asset, irrespective of the incentive's nature or form or the timing of payments.

In the event that lease incentives were received to enter into operating leases, the aggregate cost of incentives were recognised as a reduction of rental expense over the lease term on a straight-line basis, unless another systematic basis was more representative of the time pattern in which economic benefits from the leased asset were consumed.

Policy applicable after 1 July 2019

Council has applied *AASB 16 Leases* using a modified retrospective approach with the cumulative effect of initial application recognised as an adjustment to the opening balance of accumulated surplus at 1 July 2019, with no restatement of comparative information. The council applied the approach consistently to all leases in which it is a lessee.

On transition to *AASB 16 Leases*, Council elected to apply the practical expedient to 'grandfather' the assessment of which transactions are leases. The council has applied this practical expedient to all of its contracts and therefore applied *AASB 16 Leases* only to contracts that were previously identified as leases.

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

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

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

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

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

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

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

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

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

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

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

Right-of-Use Assets

	Property	Plant & Equipment	Total
	\$	\$	\$
Balance at 1 July 2019	36,822	644,775	681,597
Additions	-	390,665	390,665
Amortisation charge	(9,206)	(190,526)	(199,732)
Balance at 30 June 2020	27,616	844,914	872,530

Lease Liabilities

	2020
	\$
Maturity analysis - contractual undiscounted cash flows	\$
Less than one year	250,791
One to five years	690,556
More than five years	-
Total undiscounted lease liabilities as at 30 June:	941,347

Lease liabilities included in the Balance Sheet at 30 June:

Current	230,029
Non-current	652,421
Total lease liabilities	882,450

Short-term and low value leases

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

	2020
Expenses relating to:	\$
Short-term leases	16,564
Leases of low value assets	-
Total	<u>16,564</u>
Variable lease payments (not included in measurement of lease liabilities)	-

i. Leases classified as operating leases under AASB 117 Leases

At transition, lease liabilities were measured at the present value of the remaining lease payments, discounted at Council's incremental borrowing rate as at 1 July 2019. Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments. Council applied this approach to all applicable leases.

Council used the following practical expedients when applying *AASB 16 Leases* to leases previously classified as operating leases under *AASB 117*

- Applied a single discount rate to a portfolio of leases with similar characteristics.
- Adjusted the right-of-use assets by the amount of *AASB 137 Provisions, Contingent Liabilities and Contingent Assets* onerous contract provision immediately before the date of initial application, as an alternative to an impairment review.
- Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term.
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

ii. Leases previously classified as finance leases

For leases that were classified as finance leases under *AASB 117 Leases*, the carrying amount of the right-of-use asset and the lease liability at 1 July 2019 are determined at the carrying amount of the lease asset and lease liability under *AASB 117 Leases* immediately before that date.

Council is not required to make any adjustments on transition to *AASB 16 Leases* for leases in which it acts as a lessor, except for a sub-lease. Council accounted for its leases in accordance with *AASB 16 Leases* from the date of initial application.

Impact on financial statements

On transition to *AASB 16 Leases*, Council recognised an additional \$681,597 of right-of-use assets and \$681,597 of lease liabilities.

When measuring lease liabilities, Council discounted lease payments using its incremental borrowing rate at 1 July 2019. The weighted-average rate applied is 2.79%.

	2019
	\$
Operating lease commitment at 30 June 2019 as disclosed in Council's financial statements	455,297
Discounted using the incremental borrowing rate at 1 July 2019	(66,700)
Waste Management Contract	256,177
Property Lease	36,823
Finance lease liability recognised as at 1 July 2019	<u>681,597</u>

Note 6 Assets we manage	2020	2019
6.1 Non current assets classified as held for sale	\$	\$
Cost of acquisition	690,384	273,000
Total non current assets classified as held for sale	<u>690,384</u>	<u>273,000</u>

Non-current assets classified as held for sale (including disposal groups) are measured at the lower of its carrying amount and fair value less costs of disposal, and are not subject to depreciation. Non-current assets, disposal groups and related liabilities and assets 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 (or disposal group 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 2019	Additions	Recognised First Time	Revaluation	Depreciation	Disposal	Write-off	Transfers	At Fair Value 30 June 2020
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Property	80,977,186	888,934	-	(19,107,070)	(985,886)	-	-	279,893	62,053,057
Plant and equipment	2,730,225	577,167	-	1,541,200	(603,970)	(162,370)	-	470,830	4,553,083
Infrastructure	206,528,180	4,385,005	6,444,635	-	(4,441,123)	(170,940)	-	282,199	213,027,957
Work in progress	1,917,030	919,868	-	-	-	-	(67,469)	(1,585,247)	1,184,182
	292,152,621	6,770,973	6,444,635	(17,565,870)	(6,030,979)	(333,310)	(67,469)	(552,324)	280,818,279

Summary of Work in Progress

	Opening WIP	Additions	Write-off	Transfers	Closing WIP
	\$	\$	\$	\$	\$
Property	770,334	215,576	(20,737)	(697,277)	267,896
Plant and equipment	-	-	-	-	-
Infrastructure	1,146,696	704,292	(46,732)	(887,969)	916,286
Total	1,917,030	919,868	(67,469)	(1,585,247)	1,184,183

(a) Property

	Land - specialised	Land - non specialised	Land under roads	Total Land	Buildings - specialised	Buildings - non specialised	Total Buildings	Cultural and heritage assets	Work In Progress	Total Property
	\$	\$	\$	\$	\$	\$	\$		\$	\$
At fair value 1 July 2019	26,501,967	5,949,601	214,065	32,665,633	78,112,004	3,305,676	81,417,680	-	770,334	114,853,647
Accumulated depreciation at 1 July 2019	-	-	-	-	(32,012,982)	(1,093,144)	(33,106,127)	-	-	(33,106,127)
	26,501,967	5,949,601	214,065	32,665,633	46,099,021	2,212,532	48,311,553	-	770,334	81,747,521
Movements in fair value										
Additions	-	-	-	-	888,934	-	888,934	-	215,576	1,104,510
Contributions	-	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	(16,157,438)	-	(16,157,438)	1,062,032	-	(15,095,406)
Reclassification	-	-	-	-	(2,541,860)	-	(2,541,860)	1,236,868	(126,467)	(1,431,459)
Write-off	-	-	-	-	-	-	-	-	(20,737)	(20,737)
Transfers	(329,560)	(87,824)	-	(417,384)	570,810	-	570,810	-	(570,810)	(417,384)
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-	-
	(329,560)	(87,824)	-	(417,384)	(17,239,553)	-	(17,239,553)	2,298,900	(502,438)	(15,860,476)
Movements in accumulated depreciation										
Depreciation and amortisation	-	-	-	-	(985,886)	-	(985,886)	-	-	(985,886)
Reclassification	-	-	-	-	1,304,992	-	1,304,992	-	-	1,304,992
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	(4,011,664)	-	(4,011,664)	-	-	(4,011,664)
Transfers	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	(3,692,558)	-	(3,692,558)	-	-	(3,692,558)
At fair value 30 June 2020	26,172,407	5,861,777	214,065	32,248,249	60,872,450	3,305,676	64,178,127	2,298,900	267,896	98,993,172
Accumulated depreciation at 30 June 2020	-	-	-	-	(35,705,541)	(1,093,144)	(36,798,685)	-	-	(36,798,685)
	26,172,407	5,861,777	214,065	32,248,249	25,166,910	2,212,532	27,379,442	2,298,900	267,896	62,194,487

(b) Plant and Equipment

	Plant machinery and equipment	Fixtures fittings and furniture	Computers and telecom.	Cultural and heritage assets - Arts & Monuments	Work In Progress	Total plant and equipment
	\$	\$	\$	\$	\$	\$
At fair value 1 July 2019	6,026,004	3,619,380	-	-	-	9,645,385
Accumulated depreciation at 1 July 2019	(4,004,107)	(2,911,052)	-	-	-	(6,915,159)
	2,021,897	708,328	-	-	-	2,730,226
Movements in fair value						
Additions	353,183	223,985	-	-	-	577,167
Contributions	-	-	-	-	-	-
Revaluation	-	-	-	1,541,200	-	1,541,200
Disposal	(646,219)	-	-	-	-	(646,219)
Reclassification	-	-	-	-	-	-
Transfers	(888,419)	-	-	605,750	-	(282,669)
Impairment losses recognised in operating result	-	-	-	-	-	-
	(1,181,455)	223,985	-	2,146,950	-	1,189,479
Movements in accumulated depreciation						
Depreciation and amortisation	(382,357)	(221,613)	-	-	-	(603,970)
Accumulated depreciation of disposals	483,849	-	-	-	-	483,849
Impairment losses recognised in operating result	-	-	-	-	-	-
Transfers	753,499	-	-	-	-	753,499
	854,991	(221,613)	-	-	-	633,378
At fair value 30 June 2020	4,844,549	3,843,365	-	2,146,950	-	10,834,864
Accumulated depreciation at 30 June 2020	(3,149,116)	(3,132,665)	-	-	-	(6,281,781)
	1,695,434	710,700	-	2,146,950	-	4,553,083

(c) Infrastructure

	Roads	Bridges	Footpaths and cycleways	Drainage	Kerb and channel	Waste Management	Parks open spaces and streetscapes	Cultural and heritage assets	Work In Progress	Total Infrastructure
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
At fair value 1 July 2019	192,816,075	68,491,772	4,583,075	15,882,463	6,597,927	-	6,808,835	605,750	1,146,696	296,932,593
Accumulated depreciation at 1 July 2019	(54,959,396)	(22,477,994)	(1,348,160)	(4,277,721)	(2,529,333)	-	(3,665,112)	-	-	(89,257,715)
	137,856,680	46,013,778	3,234,915	11,604,742	4,068,594	-	3,143,723	605,750	1,146,696	207,674,878
Movements in fair value										
Additions	2,514,867	206,434	317,817	132,183	-	-	1,213,703	-	704,292	5,089,297
Reclassification	-	(5,918,395)	-	-	-	-	-	2,288,263	126,467	(3,503,665)
Revaluation	-	-	-	-	-	-	-	-	-	-
Disposal	-	(388,500)	-	-	-	-	-	-	-	(388,500)
Recognised First Time	-	-	-	-	-	-	13,696,800	-	-	13,696,800
Write-off	-	-	-	-	-	-	-	-	(46,732)	(46,732)
Transfers	-	352,118	5,327	363,443	-	-	293,549	(605,750)	(1,014,436)	(605,750)
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-	-
	2,514,867	(5,748,343)	323,144	495,626	-	-	15,204,052	1,682,513	(230,409)	14,241,450
Movements in accumulated depreciation										
Depreciation and amortisation	(2,941,405)	(637,039)	(97,324)	(155,386)	(109,459)	-	(500,510)	-	-	(4,441,123)
Accumulated depreciation of disposals	-	217,560	-	-	-	-	-	-	-	217,560
Recognised First Time	-	-	-	-	-	-	(7,252,165)	-	-	(7,252,165)
Reclassification	-	3,630,132	-	-	-	-	-	-	-	3,630,132
Transfers	-	-	-	-	-	-	-	-	-	-
	(2,941,405)	3,210,653	(97,324)	(155,386)	(109,459)	-	(7,752,675)	-	-	(7,845,596)
At fair value 30 June 2020	195,330,942	62,743,429	4,906,219	16,378,089	6,597,927	-	22,012,886	2,288,263	916,286	311,174,042
Accumulated depreciation at 30 June 2020	(57,900,801)	(19,267,341)	(1,445,484)	(4,433,107)	(2,638,792)	-	(11,417,787)	-	-	(97,103,311)
	137,430,142	43,476,088	3,460,735	11,944,983	3,959,135	-	10,595,099	2,288,263	916,286	214,070,732

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

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

	Depreciation Period	Threshold Limit \$
Asset recognition thresholds and depreciation periods		
Property		
land	-	10,000
Buildings		
buildings	10 to 100 years	5,000
Plant and Equipment		
plant, machinery and equipment	2 to 20 years	1,000
furniture and equipment	2 to 10 years	1,000
leased plant and equipment including right of use assets	3 to 5 years	5,000
Infrastructure		
road pavements - sealed	40 to 130 years	5,000
road pavements - unsealed	25 to 40 years	5,000
road seals	18 to 40 years	5,000
formation and earthworks	100 years	5,000
bridges deck	50 to 120 years	5,000
bridges substructure	60 to 250 years	5,000
culverts	60 to 250 years	5,000
footpaths	10 to 60 years	5,000
drainage	100 years	5,000
parks open spaces and streetscapes	15 to 100 years	5,000
kerb and channel	50 to 100 years	5,000
cultural and heritage assets	-	5,000

Council recognises land under roads it controls at fair value.

Depreciation and amortisation

Buildings, land improvements, plant and equipment, infrastructure, and other assets having limited useful lives are systematically depreciated over their useful lives to the Council in a manner which reflects consumption of the service potential embodied in those assets. Estimates of remaining useful lives and residual values are made on a regular basis with major asset classes reassessed annually. Depreciation rates and methods are reviewed annually.

Where assets have separate identifiable components that are subject to regular replacement, these components are assigned distinct useful lives and residual values and a separate depreciation rate is determined for each component.

Road earthworks are not depreciated on the basis that they are assessed as not having a limited useful life.

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

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

Repairs and maintenance

Where the repair relates to the replacement of a component of an asset and the cost exceeds the capitalisation threshold the cost is capitalised and depreciated. The carrying value of the replaced asset is expensed.

Leasehold improvements

Leasehold improvements are recognised at cost and are amortised over the unexpired period of the lease or the estimated useful life of the improvement, whichever is the shorter. At balance date, there are no leasehold improvements.

Valuation of land and buildings

Valuation of land and buildings were undertaken by a qualified independent valuer Liquid Pacific. 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.

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

Any significant movements in the unobservable inputs for land and land under roads will have a significant impact on the fair value of these assets. The date of the current valuation is detailed in the following table. A full revaluation of these assets has been conducted in 2019/20.

Land and building asset values are not expected to be materially impacted by COVID-19 as at 30 June 2020. A formal revaluation was undertaken for buildings and structures during in June 2020.

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2020 are as follows:

	Level 1	Level2	Level 3	Date of Valuation
Land	-	5,861,777	-	Jun-18
Specialised land	-	-	26,172,407	Jun-18
Land uner roads	-	-	214,065	Jun-18
Heritage Buildings	-	-	2,298,900	Jun-20
Buildings & site improvements	-	8,392,275	18,987,167	Jun-20
Total	-	14,254,052	47,672,539	

Valuation of infrastructure

The valuation is at fair value as at 30 June 2019 plus all 2019/20 additions at cost and is based on replacement cost less accumulated depreciation as at the date of valuation. The base valuation of infrastructure assets conducted at 30 June 2019 was made by Uwe Paffrath, Certified Municipal Engineer.

The valuation is at fair value based on replacement cost less accumulated depreciation as at the date of valuation.

Details of the Council's infrastructure and information about the fair value hierarchy as at 30 June 2020 are as follows:

Cultural and Heritage Assets - Infrastructure

Two bridges that were recorded under Bridges in previous years were reclassified as 'Cultural and Heritage Assets' during 2019/20. The Council has not undertaken a revaluation of these bridges during 2019/20. Instead, the written down value of \$2,288,263 as of 1st July 2019 was transferred to 'Cultural and Heritage Assets'.

	Level 1	Level2	Level 3	Date of Valuation
Roads	-	-	137,430,142	Jun-19
Bridges	-	-	43,476,088	Jun-19
Footpaths and cycleways	-	-	3,460,735	Jun-19
Drainage	-	-	11,944,983	Jun-19
Kerb and channel	-	-	3,959,135	Jun-19
Waste management	-	-	-	Jun-19
Parks, open space and streetscapes	-	-	10,595,099	Jun-19
Total	-	-	210,866,182	

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 85% 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 \$0.48 and \$565 per square metre.

Specialised buildings are valued using a depreciated replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs are calculated on a square metre basis and ranges from \$200 to \$7,000 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 20 years to 120 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.

Infrastructure assets are valued based on the depreciated replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives of infrastructure. The remaining useful lives of infrastructure assets are determined on the basis of the current condition of the asset and vary from 18 years to 120 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of infrastructure are sensitive to changes in use, expectations or requirements that could either shorten or extend the useful lives of infrastructure assets.

	2020	2019
Reconciliation of specialised land	\$	\$
Parks and reserves	19,287,996	19,287,996
Waste management	937,303	937,303
Civic centres	2,448,870	2,448,870
Council depts	673,883	1,003,443
Caravan parks	2,086,281	2,086,281
Pre schools	399,599	399,599
Saleyards	338,475	338,475
Total specialised land	26,172,407	26,501,967

	2020 \$	2019 \$
6.3 Investments in associates, joint arrangements and subsidiaries		
(a) Investments in associates		
- Goulburn Valley Regional Library Corporation	227,146	218,432
Background		
<p>The Goulburn Valley Regional Library Corporation was formed under the provisions of section 196 of the Local Government Act 1989 on 15/09/2009 to provide library services within the local government area of Strathbogie Shire, Moira Shire and City of Greater Shepparton. Council holds 9.86% (2018/19 9.89%) of equity in the Corporation. Council has two directors on the board of nine. Council has the ability to influence rather than control its operations.</p>		
Fair value of Council's investment in Goulburn Valley Library	227,146	218,432
Council's share of accumulated surplus/(deficit)		
Council's share of accumulated surplus/(deficit) at start of year	218,432	235,987
Reported surplus/(deficit) for year	8,714	(17,555)
Transfers (to) from reserves	-	-
Distributions for the year	-	-
Council's share of accumulated surplus/(deficit) at end of year	227,146	218,432
Council's share of reserves		
Council's share of reserves at start of year	-	-
Transfers (to) from reserves	-	-
Council's share of reserves at end of year	-	-
Movement in carrying value of specific investment		
Carrying value of investment at start of year	218,432	235,987
Share of surplus/(deficit) for year	8,714	(17,555)
Share of asset revaluation	-	-
Distributions received	-	-
Carrying value of investment at end of year	227,146	218,432

Associates are all entities over which Council has significant influence but not control or joint control. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

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.

Avenel Memorial Hall
Creighton's Creek Recreation Reserve
Euroa Band Hall
Euroa Friendlies Reserve
Gooram Soldiers' Memorial Hall
Longwood Community Centre
Miepoll Public Hall
Moglonemby Hall
Nagambie Recreation Reserve
Ruffy Recreation Reserve
Strathbogie Memorial Hall
Strathbogie Recreation Reserve
Tableland Community Centre Committee (Ruffy)
Violet Town Recreation Reserve

	2020 No.	2019 No.
Note 7 People and relationships		
7.1 Council and key management remuneration		
(a) Related Parties		
Parent entity		
Strathbogie Shire Council is the parent entity.		
Subsidiaries and Associates		
Interests in subsidiaries and associates are detailed in Note 6.3.		
(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		
Cr Amanda McClaren (Mayor)		
Cr John Mason		
Cr Malcolm Little		
Cr Kate Stothers (01/07/19 to 6/12/19)		
Cr Debra Bower (01/07/19 to 31/12/19)		
Cr Alistair Thomson		
Cr Graeme (Mick) Williams		
Cr Robert 'Bob' Gardner (from 28/01/20)		
Cr Chris Raeburn (from 31/03/20)		
Chief Executive Officer (from 13/01/2020)		
Group Manager Community Assets (01/07/2019 to 07/02/2020)		
Acting Group Manager Innovation & Performance (10/07/2019 to 13/01/2020)		
Director - Community & Planning		
Director - Corporate Operations		
Executive Manager People & Culture (from 20/04/2020)		
Executive Manager Governance & Customer Service (from 20/04/2020)		
Executive Manager Communications and Engagement (from 04/05/2020)		
Total Number of Councillors	9	7
Total of Chief Executive Officer and other Key Management Personnel	8	4
Total Number of Key Management Personnel	17	11
(c) Remuneration of Key Management Personnel	2020	2019
	\$	\$
Total remuneration of key management personnel was as follows:		
Short-term benefits	1,071,634	991,113
Long-term benefits	92,910	16,635
Post employment benefits	68,187	83,002
Total	1,232,731	1,090,750
The numbers of key management personnel whose total remuneration from Council and any related entities, fall within the following bands:	2020	2019
	No.	No.
\$1 - \$9,999	3	
\$10,000 - \$19,999	1	-
\$20,000 - \$29,999	5	6
\$30,000 - \$39,999	1	-
\$60,000 - \$69,999	1	1
\$80,000 - \$89,999	1	-
\$100,000 - \$109,999	2	-
\$160,000 - \$169,999	-	1
\$180,000 - \$189,999	1	1
\$210,000 - \$219,999	1	
\$230,000 - \$239,999	-	1
\$280,000 - \$289,999	1	-
\$320,000 - \$329,999	-	1
	17	11

(d) Senior Officer Remuneration

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

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

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

	2020	2019
Income Range:	No.	No.
\$150,000 - \$159,999	-	3
\$170,000 - \$179,999	3	1
	<u>3</u>	<u>4</u>

Total Remuneration for the reporting year for Senior Officers included above, amounted to:	527,879	630,870
--	---------	---------

7.2 Related party disclosure

(a) Transactions with related parties

During the period Council entered into the following transactions with related parties on normal council terms and conditions.

	2020	2019
	\$	\$
	47,940	

Councillor Graeme (Mick) Williams's son is employed by the Council as a full time employee.

There was a transaction between North Eastern Trenching for \$30,043 and the Council during the financial year. The proprietor of North Eastern Trenching is a related party to councillor Graeme (Mick) Williams.

There were transactions between Avenel Action Group for \$12,210 and the Council during the financial year. This group is a related party to councillor Amanda McClaren.

There were transactions between Rod Weld Engineering for \$5,291 and the Council during the financial year. This is a related party to acting Group Manager Innovation & Performance.

There was a transaction between Brayd Consulting for \$396 and the Council during the financial year. The proprietor is a related party to Executive Manager Governance and Customer Service.

(b) Outstanding balances with related parties

There are no outstanding at the end of the reporting period in relation to transactions with related parties

(c) Loans to/from related parties

There are no loans in existence at balance date that have been made, guaranteed or secured by the council to a related party.

(d) Commitments to/from related parties

The aggregate amount of commitments in existence at balance date that have been made, guaranteed or secured by the council to a related party are as follows:

Council has a commitment to pay Goulburn Valley Regional Library Corporation a contribution of \$272,780 during the 2020/21 financial year.

Note 8 Managing uncertainties

8.1 Contingent assets and liabilities

(a) 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 below. As a result of the volatility in financial markets the likelihood of making such contributions in future periods exists.

Future superannuation contributions

In addition to the disclosed contributions, Strathbogie Shire Council has paid no unfunded liability payments to Vision Super during the 2019/20 year (2018/19 \$0). There were no contributions outstanding and no loans issued from or to the above schemes as at 30 June 2020. The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2021 are \$0.

Landfill

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

Insurance claims

There are no any major insurance claims that could have a material impact on future operations.

Legal matters

There are no any major legal matters that could have a material impact on future operations.

Building cladding

Council does not exposed to any potential contingents that may exist in relation to rectification works or other matters associated with building cladding that may have the potential to adversely impact on Council.

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.

MAV Workcare

Council is a participant of the MAV WorkCare Scheme. The MAV WorkCare scheme provides workers compensation insurance. The MAV WorkCare 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

(b) Guarantees for loans to other entities

Council does not have any financial guarantees.

8.2 Change in accounting standards

The following new AASB's have been issued that are not mandatory for the 30 June 2020 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.

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

AASB 1059 addresses the accounting for a service concession arrangement by a grantor that is a public sector entity by prescribing the accounting for the arrangement from the grantor's perspective. It requires the grantor to:

- recognise a service concession asset constructed, developed or acquired from a third party by the operator, including an upgrade to an existing asset of the grantor, when the grantor controls the asset;
- reclassify an existing asset (including recognising previously unrecognised identifiable intangible assets and land under roads) as a service concession asset when it meets the criteria for recognition as a service concession asset;
- initially measure a service concession asset constructed, developed or acquired by the operator or reclassified by the grantor at current replacement cost in accordance with the cost approach to fair value in *AASB 13 Fair Value Measurement*. Subsequent to the initial recognition or reclassification of the asset, the service concession asset is accounted for in accordance with *AASB 116 Property, Plant and Equipment* or *AASB 138 Intangible Assets*, as appropriate, except as specified AASB 1059;
- recognise a corresponding liability measured initially at the fair value (current replacement cost) of the service concession asset, adjusted for any other consideration between the grantor and the operator; and
- disclose sufficient information to enable users of financial statements to understand the nature, amount, timing and uncertainty of assets, liabilities, revenue and cash flows arising from service concession arrangements.

Based on the Council's current assessment, there is expected to be no impact on the transactions and balances recognised in the financial statements as the Council is not a grantor in a service concession arrangement.

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

The Standard principally amends *AASB 101 Presentation of Financial Statements* and *AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors*. The amendments refine the definition of material in AASB 101. The amendments clarify the definition of material and its application by improving the wording and aligning the definition across AASB Standards and other publications. The impacts on the local government sector are expected to be minimal.

AASB 2019-1 Amendments to Australian Accounting Standards - References to the Conceptual Framework (applies 2020/21 for LG Sector)

This Standard sets out amendments to Australian Accounting Standards, Interpretations and other pronouncements to reflect the issuance of the Conceptual Framework for Financial Reporting (Conceptual Framework) by the AASB. The impacts on the local government sector are expected to be minimal.

8.3 Financial instruments

(a) Objectives and policies

The Council's principal financial instruments comprise cash assets, term deposits, receivables (excluding statutory receivables), payables (excluding statutory payables) and bank borrowings. Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument is disclosed in the notes of the financial statements. Risk management is carried out by senior management under policies approved by the Council. These policies include identification and analysis of the risk exposure to Council and appropriate procedures, controls and risk minimisation.

(b) Market risk

Market risk is the risk that the fair value or future cash flows of council financial instruments will fluctuate because of changes in market prices. The Council's exposure 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's interest rate liability risk arises primarily from long term loans and borrowings at fixed rates which exposes council to fair value interest rate risk / 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 an 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 have exposure to credit risk on some financial assets included in the balance sheet. Particularly significant areas of credit risk exist in relation to outstanding fees and fines as well as loans and receivables from sporting clubs and associations. To help manage this risk:

- council have a policy for establishing credit limits for the entities council deal with;
- council may require collateral where appropriate; and
- council only invest surplus funds with financial institutions which have a recognised credit rating specified in council's investment policy.

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

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

Council may also be subject to credit risk for transactions which are not included in the balance sheet, such as when council provide a guarantee for another party. Details of our contingent liabilities are disclosed in Note 8.1(b).

The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements. Council does not hold any collateral.

(d) Liquidity risk

Liquidity risk includes the risk that, as a result of 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:

- have a liquidity policy which targets a minimum and average level of cash and cash equivalents to be maintained;
- have readily accessible standby facilities and other funding arrangements in place;
- have a liquidity portfolio structure that requires surplus funds to be invested within various bands of liquid instruments;
- monitor budget to actual performance on a regular basis; and
- set limits on borrowings relating to the percentage of loans to rate revenue and percentage of loan principal repayments to rate revenue.

The Council's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed on the face of the balance sheet and the amounts related to financial guarantees disclosed in Note 8.1(c), and is deemed insignificant based on prior periods' data and current assessment of risk.

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

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

Unless otherwise stated, the carrying amounts 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, Council believes the following movements are 'reasonably possible' over the next 12 months:

- A parallel shift of + 0.25% and - 0.25% in market interest rates (AUD) from year-end rates of 0.7%.

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

8.4 Fair value measurement

Fair value hierarchy

Council's financial assets and liabilities are not valued in accordance with the fair value hierarchy, Council's financial assets and liabilities are measured at amortised cost.

Council measures certain assets and liabilities at fair value where required or permitted by Australian Accounting Standards. AASB 13 Fair value measurement, aims to improve consistency and reduce complexity by providing a definition of fair value and a single source of fair value measurement and disclosure requirements for use across Australian Accounting Standards.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within a fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, Council has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

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

Revaluation

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

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use of an asset result in changes to the permissible or practical highest and best use of the asset. In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 2 to 5 years. The valuation is performed either by experienced council officers or independent experts.

Where the assets are revalued, the revaluation increments are credited directly to the asset revaluation reserve except to the extent that an increment reverses a prior year decrement for that class of asset that had been recognised as an expense in which case the increment is recognised as revenue up to the amount of the expense. Revaluation decrements are recognised as an expense except where prior increments are included in the asset revaluation reserve for that class of asset in which case the decrement is taken to the reserve to the extent of the remaining increments. Within the same class of assets, revaluation increments and decrements within the year are offset.

Impairment of assets

At each reporting date, the Council reviews the carrying value of its assets to determine whether there is any indication that these assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the comprehensive income statement, unless the asset is carried at the revalued amount in which case, the impairment loss is recognised directly against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

8.5 Events occurring after balance date

On 2 August 2020 the Victorian State Government in response to COVID-19 imposed stage 3 restrictions on regional Victoria from Thursday 6 August 2020. No adjustments to balances are required as at 30 June 2020.

All receivables and payables balances along with actual impacts on revenue and expenses and asset values are not expected to be further impacted by the announcement. Disclosures regarding COVID-19 have been made in the relevant notes to the statements.

In light the conditions prevailed in the country council adopted budget (adopted on 14th July 2020) suggested zero percent increase in rates for 2020/21 financial year.

Note 9 Other matters

	Balance at beginning of reporting period \$	Increment (decrement) \$	Balance at end of reporting period \$
9.1 Reserves			
(a) Asset revaluation reserves			
2020			
Property			
Land and land improvements	27,268,863	-	27,268,863
Buildings	46,180,386	(19,107,070)	27,073,316
	73,449,248	(19,107,070)	54,342,179
Plant and Equipment			
Cultural and heritage assets	-	1,541,200	1,541,200
Infrastructure			
Roads	89,369,647	-	89,369,647
Bridges	30,085,240	-	30,085,240
Footpaths and cycleways	1,600,498	-	1,600,498
Drainage	4,026,118	-	4,026,118
Parks, open space and streetscapes	-	6,444,635	6,444,635
Kerb and Channel	2,954,641	-	2,954,641
Other infrastructure	17,093	-	17,093
	128,053,237	6,444,635	134,497,872
Total asset revaluation reserves	201,502,485	(11,121,235)	190,381,250
2019			
Property			
Land and land improvements	24,645,565	2,623,298	27,268,863
Buildings	41,803,908	4,376,478	46,180,386
	66,449,473	6,999,775	73,449,248
Infrastructure			
Roads	94,515,772	(5,146,125)	89,369,647
Bridges	34,595,573	(4,510,333)	30,085,240
Footpaths and cycleways	1,600,498	-	1,600,498
Drainage	4,026,118	-	4,026,118
Recreational, leisure and community facilities	-	-	-
Waste management	-	-	-
Parks, open space and streetscapes	-	-	-
Kerb and Channel	2,954,641	-	2,954,641
Offstreet car parks	-	-	-
Other infrastructure	16,205	888	17,093
	137,708,807	(9,655,570)	128,053,237
Total asset revaluation reserves	204,158,280	(2,655,795)	201,502,485

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

	Balance at beginning of reporting period \$	Transfer from accumulated surplus \$	Transfer to accumulated surplus \$	Balance at end of reporting period \$
(b) Other reserves				
2020				
Bridge replacement reserve	750,000	-	-	750,000
Open space reserve	108,958	-	-	108,958
Total Other reserves	858,958	-	-	858,958
2019				
Bridge replacement reserve	750,000	-	-	750,000
Open space reserve	108,958	-	-	108,958
Total Other reserves	858,958	-	-	858,958

	2020	2019
	\$	\$
9.2 Reconciliation of cash flows from operating activities to surplus/(deficit)		
Surplus/(deficit) for the year	4,863,476	6,398,908
Depreciation/amortisation	6,290,556	5,929,723
Profit/(loss) on disposal of property, infrastructure, plant and equipment	(99,764)	(72,133)
Written down value of infrastructure assets replaced	170,940	512,024
Contributions - Non-monetary assets	-	(748,380)
Borrowing costs/Finance Cost	47,250	36,015
Share of net profits of associates	(8,714)	17,555
Other	67,490	-
Change in assets and liabilities:		
(Increase)/decrease in trade and other receivables	440,555	(1,382,320)
Trust funds and other deposits repaid	(304,013)	873,666
(Increase)/decrease in prepayments	(16,713)	91,768
Increase/(decrease) in accrued income	784,221	(1,112,076)
Increase/(decrease) in trade and other payables	(934,717)	(282,443)
(Decrease)/increase in other liabilities	1,441,712	-
(Increase)/decrease in inventories	8,519	(7,592)
Increase/(decrease) in provisions	125,065	(288,482)
Net cash provided by/(used in) operating activities	12,875,863	9,966,233

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 Comprehensive Operating Statement when they are made or due.

Accumulation

The Fund's accumulation categories, Vision MySuper/Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2020, this was 9.5% as required under Superannuation Guarantee (SG) 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 Council in the Fund cannot be measured as a percentage compared with other participating employers. Therefore, the Fund Actuary is unable to allocate benefit liabilities, assets and costs between employers for the purposes of AASB 119.

Funding arrangements

Council makes employer contributions to the Defined Benefit category of the Fund at rates determined by the Trustee on the advice of the Fund Actuary.

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

As at 30 June 2019, 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 107.1%. 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 actual VBI at 30th June 2020 was 104.6%.

The VBI is used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2019 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 2017 full 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 2020, this rate was 9.5% of members' salaries (9.5% in 2018/2019). This rate is expected to increase in line with any increases in the SG contribution rate and reviewed as part of the 30 June 2020 triennial valuation.

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

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 the Strathbogie Shire Council) are required to make an employer contribution to cover the shortfall.

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

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

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

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

The 2019 interim actuarial investigation surplus amounts

An actuarial investigation is conducted annually for the Defined Benefit category of which Council is a contributing employer. Generally, a full actuarial investigation conducted every three years and interim actuarial investigations are conducted for each intervening year. An interim investigation was conducted as at 30 June 2019 and the last full actuarial investigation was conducted as at 30 June 2017.

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

	2019 \$m	2017 \$m
- A VBI Surplus	151.3	69.8
- A total service liability surplus	233.4	193.5
- A discounted accrued benefits surplus	256.7	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 2019.

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 2019.

The discounted accrued benefit surplus means that the current value of the assets in the Fund's Defined Benefit category exceeds the value of benefits payable in the future but accrued in respect of service to 30 June 2019.

Council was notified of the 30 June 2019 VBI during August 2019 (2018: August 2018).

The 2020 triennial actuarial investigation

A triennial actuarial investigation is being conducted for the Fund's position as at 30 June 2020. It is anticipated that this actuarial investigation will be completed by 31 December 2020. The financial assumptions for the purposes of this investigation are:

	2020 Triennial investigation	2017 Triennial investigation
Net investment return	5.6% pa	6.5% pa
Salary inflation	2.50% pa for the first two years and 2.75%pa thereafter	3.5% pa
Price inflation	2.0% pa	2.5% pa

Superannuation contributions

Contributions by Council (excluding any unfunded liability payments) to the above superannuation plans for the financial year ended 30 June 2020 are detailed below:

Scheme	Type of Scheme	Rate	2020 \$	2019 \$
Vision super	Defined benefit	9.50%	61,144	74,084
Vision super	Accumulation fund	9.50%	422,704	377,456
Other funds	Accumulation fund	9.50%	326,921	354,787

Council hasn't paid any unfunded liability payments to Vision Super in 2019/20 or 2018/19. Council does not expect to pay to the Defined Benefit category of Vision Super for the year ending 30 June 2021.

10 Change in accounting policy

Council has adopted *AASB 15 Revenue from Contracts with Customers*, *AASB 16 Leases* and *AASB 1058 Income of Not-for-Profit Entities*, from 1 July 2019. This has resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements.

Due to the transition methods chosen by Council in applying these standards, comparative information throughout these financial statements has not been restated to reflect the requirements of the new standards except in relation to contracts that were not complete at 1 July 2019. The transition impact of these are detailed below.

a) AASB 15 Revenue from Contracts with Customers - Impact of Adoption

AASB 15 Revenue from Contracts with Customers applies to revenue transactions where Council provides services or goods under contractual arrangements.

Council adopted *AASB 15 Revenue from Contracts with Customers* using the modified (cumulative catch up) method. Revenue for 2019 as reported under *AASB 118 Revenue* is not adjusted, because the new standard is only applied from the date of initial application.

AASB 15 Revenue from Contracts with Customers requires revenue from contracts with customers to be recognised as Council satisfies the performance obligations under the contract.

b) AASB 16 Leases

AASB 16 Leases requires right of use assets and related liabilities for all lease agreements to be recognised on the balance sheet. The Statement of Comprehensive Income is to separately recognise the amortisation of the right of use asset, and the finance costs relating to the lease. Council has elected to adopt the modified (cumulative catch up) method under the standard and as such has not adjusted 2019 disclosures. The transition impact of these are detailed below.

c) AASB 1058 Income of Not-for-Profit Entities

AASB 1058 Income of Not-for-Profit Entities applies to income received where no contract is in place. This includes statutory charges (such as rates) as well as most grant agreements.

Council adopted *AASB 1058 Income of Not-for-Profit Entities* using the modified (cumulative catch up) method. Income for 2019 is not adjusted, because the new standard is only applied from the date of initial application.

AASB 1058 Income of Not-for-Profit Entities requires income to be recognised as Council satisfies the performance obligations under the contract.