

Strathbogie Shire Council

2020-2021 Annual Report

Strathbogie
shire

Acknowledgement of Country

Strathbogie Shire Council acknowledges the traditional custodians of the lands on which we strive, the peoples of the rivers and the hills of the Strathbogie Shire region who walked these lands for generations.

We pay our respects to the elders of the past, and the speakers of the first words, who lived in harmony with this country.

We acknowledge the elders of the present, who seek to regain their culture, and to teach the elders of the future their law, their history and their language.

We pay our respects to them and extend that respect to all Aboriginal and Torres Strait Islander peoples today.

We honour their spirit – and the memory, culture, art and science of the world’s oldest living culture through 60,000 years.

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Introduction

The Strathbogie Shire Council Annual Report 2020/21 provides a comprehensive account of our performance from 1 July 2020 to 30 June 2021.

With a population of almost 11,000 people, our Shire covers about 3,300 square kilometres and is located about 125km to the north of Melbourne CBD.

Key natural features of the region include the granite rock formations in the Strathbogie Ranges, the Goulburn River system, Nagambie Lakes, Gooram Falls and the cascading Polly McQuinns.

Our vision for our community

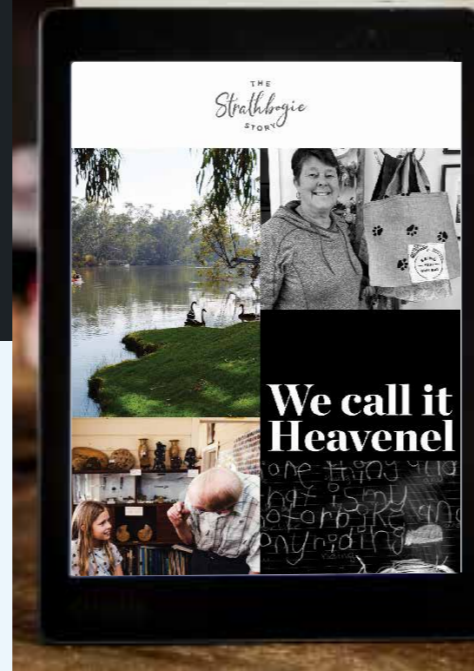
Our Vision:
Together we are building a flourishing community.

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 year in review



Sharing the Strathbogrie Story

Strathbogrie Shire Council is proud of how our community has stood up to the ongoing challenges of coronavirus (COVID-19) in 2020/21.

We've been champions of physical distancing, face masks, hand sanitisation, constant signing in with QR codes, staying at home during lockdowns, and booking in COVID vaccinations when eligible.

We've come together as a community to look after our family, friends and neighbours. In the early days of the pandemic in 2020, Council launched The Strathbogrie Story.

The project's aim was to help us overcome feelings of isolation and loneliness. We linked members of our community via video storytelling, sharing local children's story books, and helping many connect to loved ones outside our region via our free Strathbogrie Story postcards.

The Strathbogrie Story was overwhelmingly positive. Sending a clear message to our community that we were in it together. Visit www.strathbogiestory.com.au to learn more.



Helping our community recover

After extensive consultation and feedback Council showed it was listening and acting on its community's concerns, with a zero increase in rates a feature of the 2020/21 Budget.

In recognition of challenges being faced by hospitality businesses as a result of the COVID-19 pandemic, fees for registered premises were set at zero, while Council also refunded fees for the 2019/20 financial year.

Working for Victoria success

As part of the Victorian Government's Working for Victoria program Strathbogrie Shire was given funding to employ 43 staff for six months.

The outdoor staff carrying out many extra activities including painting at the saleyards in Euroa. They also revitalised many of the community gardens and planted natives in the lake wall at Nagambie.

The team landscaped areas around Kirwan's Bridge and the Avenel skate park and deep cleaned all the community halls and installed safety bollards.

Their work allowed Council to create the RE3 program which was to Reset Reboot and Revitalise the Shire.

Supporting local business

Council provided Go Nagambie and Euroa Chamber of Business and Commerce with \$30,000 each to help businesses that have struggled as a result of the coronavirus pandemic and to provide professional services to support their recovery.

The funds were used to provide free membership for 12 months to all registered businesses in the Shire and their surrounding localities. It allowed businesses to seek support and assistance from within their own business community.

Go Nagambie's funding was used through businesses in the Nagambie, Avenel, Mitchellstown and Graytown areas. The Euroa Chamber's funding was shared across Euroa, Longwood, Strathbogrie, Violet Town and Ruffly and surrounding area businesses.

Delivering for our community

Council's new project management approach paid dividends in the 2020/21 year with 84 per cent of our capital works program delivered.

Highlights of the past year's capital works projects included the installation of a new pedestrian bridge from the Memorial Oval to the Friendlies Oval in Euroa, the expansion of the Euroa RSL

Clubrooms, upgrades to the netball and multi-purpose court at the Violet Town Football Netball Club.

Other exciting projects included the completion of the Violet Town Skate Park and Violet Town Recreation Reserve Toilet Facilities.

Council also ensured added safety to its communities with the addition of a Kiss & Go Bus Stop at St John's Primary School in Euroa, the major culvert renewal on Upton Rd, upgrades to various tracks and trails and the completion of Stage 1 of the Fixing Country Roads project.

A place for pets to play

In May we officially opened the Euroa Off-Leash Dog Park at the Euroa Showgrounds. The park was great news for the community who had strongly advocated for an off-leash area.

Council knows there are many benefits to off-leash dog parks – both for dogs and their owners. They provide the opportunity for dogs to exercise, socialise, practice training, play and just generally burn off energy.



A new approach to communications and engagement

In 2020 Council showed its commitment to genuine community engagement was more than just talk.

Council is working hard to ensure our community's thoughts, feedback, advice and expectations are reflected in the decisions we make. We want our community to trust we're making decisions with them.

Highlights of the 2020/21 year include:

- A series of eight face-to-face sessions called, Share Strathbogrie, in which we visited townships throughout the Shire.
- The launch of our dedicated online community engagement platform www.share.strathbogrie.vic.gov.au. Here our community is contributing ideas, providing feedback and exchanging views with others on key decisions and priorities for our community.
- The adoption of a Community Engagement Policy that ensures deliberative engagement methods are used to develop the Community Vision, Council Plan and Financial Plan.
- An innovative Pitch My Project initiative that resulted in more than 10 community led projects included in the 2021/22 Budget.

Community Satisfaction results improve

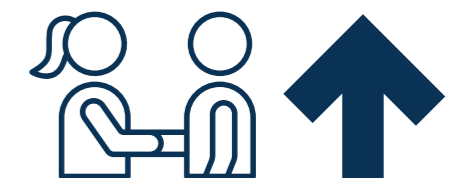
Council received its highest rating overall performance in 10 years' participating in the Local Government Community Satisfaction Survey (CSS), with a significant improvement on 2020 results.

Council achieved an overall satisfaction rating of 57, up a statistically significant seven points from 50 in 2020, and our highest level to date.

On most individual service areas, performance rating remained the same with exceptions to waste management and local streets and footpaths, where ratings improved significantly.

The 2021 CSS was conducted from February 8 to March 18 in 2021 via a random telephone survey of 400 Strathbogrie Shire residents aged 18- plus years old.

Council's focus on The Four Cs – customer service, community decisions, consultation and engagement and communication – will continue into the future.





Advocating for issues that matter

Council's advocacy program has been strong, brave and achieved results.

We have advocated strongly for the Australian Rail Track Corporation (ARTC) to involve the community in the decision-making process on the future solution of the Anderson St Bridge.

As a Council we asked for our community to be involved in a meaningful way and for the ARTC to take a step back in the process, which has already identified an overpass as the preferred solution.

We achieved both these goals.

Council also attended the Joint Standing Committee inquiry into the National Broadband Network (NBN) to say the struggle for internet speed and reliability in our region was unacceptable.

Our Mayor, Cr Chris Raeburn, spoke to the committee at its public hearing, saying if something was not done our region would be left behind in the digital race and miss out on economic development opportunities.



Cr Raeburn appealed to the committee to consult and collaborate with the Strathbogie Shire region.

We also achieve this goal.

Our advocacy also achieved \$3 million grant for the completion of the Nagambie Foreshore Walk, we worked with the Longwood community to stop super-loaded trucks travelling through our townships headed for the Westgate Tunnel Project and made a submission to the Department of Environment, Land, Water and Planning regarding the development of Renewable Energy Zones.

Our advocacy has ensured the provision of enhanced mobile telecommunication coverage at Graytown, Ruffy, Creighton's Creek, Avenel, Avenel South and Euroa North and work is ongoing in this field and further improvements being pursued.

We have also advocated strongly for the funding continuation of the Goulburn Region Queensland Fruit Fly Control Program and for Strathbogie Shire to be aligned with a regional tourism board to ensure we are not left out of essential market positioning.

Declaring a Climate Emergency

In April 2021, Council endorsed a Notice of Motion to declare a Climate Emergency.

The Notice of Motion was moved by Councillor Sally Hayes-Burke, seconded by Cr Reg Dickinson and supported by all Councillors.

Strathbogie Shire was the 100th Council in Australia to declare a Climate Emergency and just the third to pass this Notice of Motion unanimously.

It came after Climate Change and the Environment were ranked as the second and fifth service priority by the community during Council's Share Strathbogie community engagement program.

The next steps are for Strathbogie Shire to engage with the community to set priorities in a Climate Change Action Plan.

Delivering capital works for our community

- **Delivered 81 capital works projects**
- **Created benefits across the Shire**
- **\$14 million of projects for our community**

Council's new project management approach paid dividends in the 2020/21 financial year with 84 per cent of our capital works program delivered.

The success is attributed to a project management framework, implemented in the same year, that allowed projects to be planned, managed and governed from beginning to end.

As an organisation Council hasn't always been known for getting projects delivered. We hope these results show we're working hard on improving our processes and delivering for our community.

The community can expect to see further changes in the capital works area with more time spent engaging with the community, planning, scoping and costing projects before kick-off.

We are overwhelmingly aware that we are spending ratepayers' money and we don't take that responsibility lightly.

Highlights of the past year's capital works projects included the installation of a new pedestrian

bridge from the Memorial Oval to the Friendlies Oval in Euroa, the expansion of the Euroa RSL Clubrooms, upgrades to the netball and multi-purpose court at the Violet Town Football Netball Club.

Other exciting projects included the completion of the Violet Town Skate Park and Violet Town Recreation Reserve Toilet Facilities.

Council also ensured added safety to its communities with the addition of a Kiss & Go Bus Stop at St Johns Primary School in Euroa, the major culvert renewal on Upton Rd, upgrades to various tracks and trails and the completion of Stage 1 of the Fixing Country Roads project.

These capital works projects are demonstrating improved liveability and amenities for residents in our Shire.

Council is now looking forward to delivering more exciting capital works projects in 2021/22.



Challenges and Future Outlook



COVID-19 has had a profound impact on cities and countries across the world and Strathbogrie Shire is no exception.

Our region has experienced job losses, staff being stood down and businesses being forced to close.

Our 2020/21 Budget was prepared with coronavirus at the forefront. It included rate relief for business and our community.

We also knew providing support to our community during the coronavirus pandemic was not limited to financial assistance.

Helping to Reset, Reboot and Revitalise our communities would take much more.

This is why we launched the RE3 project – to support our community through the pandemic and to flourish on the other side.



Why we needed to act

Impact of our economy

Local businesses reported a substantial decrease in economic output. Some have reported a downturn in income so significant they are unable to meet rental and credit commitments. We know:

- 25 per cent of businesses applied for job keeper payments with a greater number applying for other government assistance measures
- There was a seven per cent increase in unemployment across the Shire.

Impact on our community

Our community worked hard to follow restrictions and help keep us all safe. Major events across the Shire were cancelled. Community groups and sporting activities stopped.

However, in doing our bit to stop the spread of the virus, came feelings of isolation and loneliness.

We were constantly reminded of the significant number of older people in our community without access to technology.

We knew that, more than ever, we must talk about mental health and look out for our friends, family and loved ones.

Impact of our workers

Strathbogrie Shire initially established a strict two-team routine to keep our staff and our organisation as safe as we can. This meant operating two teams across our entire business – working from the office, and from home, on alternating weeks.

As restrictions changed our workforce changed. For much of the year all those who could work from home, did, and are continuing to do so.

What we did

Council established a three-phase community recovery program – the RE3 project to Reset, Reboot and Revitalise our community.

Reset

This phase was focussed on communication. We ensured our community had access to the information it needed to stay safe during the coronavirus (COVID-19) pandemic. It established communication channels with our community to make sure they know where, and how, to get credible information about restrictions.

We established a COVID-19 page on our website to ensure our community has a one-stop-shop for information about impacts to local services.

RESET



Established communication channels



Regular video updates



Rate relief for business and community



Health promotion



Signage to keep people safe



Launch RE3 project



Financial hardship support

REBOOT



Working for Victoria



The Strathbogrie Story



Taking services and community engagement online



Access to health services



Capital works power on



Streamlined community grants

REVITALISE



Engage with community to learn, heal and flourish



Improve access to services



Ensure our community is heard



Economic Development Strategy



Taking customer service online

We used social media to drive safety messages and continue to generate updates to reinforce our messages.

We built an email network of more than 600 businesses and used it to provide advice and seek feedback. We have also worked closely with the business representative groups such as and the Euroa Chamber of Commerce.

Reboot

The phase is rapidly responding - and rapidly changing - as we continue to adapt to meet our community's needs.

In the reboot phase we are firmly focussed on tackling feelings of isolation and loneliness and looking out for the mental health of our community.

Our projects were – and continue to be - focussed on driving community connection. Our staff are focussed on ensuring access to services and keeping our community safe.

Revitalise

This is the forward-looking phase. With the coronavirus pandemic continuing the actions and opportunities in phase three are yet to be fully outlined.

However, we are ensuring access to services is easy, this includes (but is not limited to) health services, playgroups and maternal health services and mental health services.

We are developing an Economic Development Strategy that further supports, stimulates and strengthens the local economy.

And, we are taking customer services like forms and payments online, through the development of a new website.

Fast facts

We deliver a wide range of infrastructure, services and programs to the Strathbogie Shire community.

In 2020/21 this included:

Hosted the Australian Rowing Team at Lake Nagambie for

Olympic

Games preparation

Pedigree Dog Show at Longwood attracted

874

dogs and owners from across Victoria.

Collected

1,130.82

tonnes of kerbside waste

Collected

1,088.76

tonnes of kerbside recyclables

Collected

1,681.32

tonnes of Food Organics and Garden Organics (FOGO)

Achieved a record low Food Organics and Garden Organics FOGO contamination rate of

1.0 %

Achieved a recycling contamination rate of

8.07 %

(compared to stage average of between 15 to 20 per cent)

Managed

10,341

customer requests

Our customer service team answered

22,718

phone calls

Achieved a reach of

68,531

on our social media channels

Achieved

65,873

post engagements

Gained

409

new followers

www.share.strathbogie.viv.gov.au achieved

1,924

views in just three months

We sought community input on 10 projects through Share Strathbogie in three months

We also maintained:

- 2,207 km of roads (1470 km unsealed, 737 km sealed)
- 521 bridges and culverts
- 296 buildings and structures
- 13 community halls
- 394SQM garden beds
- 15 public toilets
- 28 playgrounds
- 11 sports grounds
- 40 hard courts and bowling greens
- 4 aquatic centres
- 4 kindergartens
- 4 Maternal Child Health Centres
- 7 transfer stations
- 15,240 street trees



A Message from the Mayor and CEO

Last year this message focussed on the challenges of 2019/20.

We spoke about the impacts of coronavirus (COVID-19) on our community, job losses, businesses being forced to close during lock downs and unforeseen hardship.

As we sit down to pen this year's message not much has changed.

Ongoing COVID restrictions, closures, disruption and challenges have made the last 12 months hard.

However, we are proud of the response provided by our community, our staff and our Council.

We have maintained our service delivery, through lock downs, transitioning to a new way of doing business online, over the phone and face-to-face wherever possible.

As a Council with six of the seven first-time Councillors, we have continued to operate online and ensure the important projects that support our community have been delivered.

In fact, our capital works program during 2020/21 has been a huge success. We've delivered more projects and we're on-time and on-budget.

Our organisation's commitment to the Four Cs – that's customer service, communications, community decisions and consultation and engagement – has continued.

We have strengthened community representation in our decision making, by implementing best practice engagement programs.

We hope you have visited our online engagement platform www.share.strathbogie.vic.gov.au to share your thoughts, feedback and advice.

Our goal is to increase opportunities for genuine, meaningful and informed participation.

And while we know we have more to do, we hope you can see the change.

Finally, we wish to thank our community for its support during the past 12 months.

Thank you for working with us, working with each other and showing your commitment to our region.

Like you, we know Strathbogie Shire, our townships and our people are truly special.

Perhaps our community said it best during our Share Strathbogie sessions when they said:

"It's the people. It's the environment. It's just the vibe."

Chris Raeburn
Mayor

Julie Salomon
Chief Executive Officer

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 \$0.28 million at 30 June 2021.

Debt levels remain low when comparing to Strathbogie Shire's asset base of \$282.91 million, providing borrowing capacity for the future. The operating surplus was \$6.36 million and the underlying position remains sound.

Strathbogie Shire's revenue was \$37.32 million with rates and charges raising \$20.08 million, based on 7,756 assessments. The reliance on rate revenue in 2020/21 was 54 per cent compared with 59 per cent in 2019/20.

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 Financial Plan.

Net operating result

Strathbogie Shire achieved an operating surplus of \$6.36 million compared to a budgeted surplus of \$3.36 million. The major reason for this variance was contributed assets from new developments and supplementary rates from the same.

Capital expenditure

Strathbogie Shire invested \$10.43 million into capital works. The capital works program funds the ongoing renewal of our existing physical assets of \$4.39 million, as well as the construction of some new community assets: \$1.50 million and the upgrade and expansion of existing assets \$4.54 million.

Infrastructure works included roads (\$5.16 million), bridges (\$0.29 million), parks and open space (\$1.75 million), drains (\$1.22 million), footpaths and cycleways (\$0.25 million), buildings (\$0.56 million)

Borrowings

No new borrowings were undertaken in 2020/21. The Shire has low levels of debt when comparing borrowings to non-current assets. The outstanding loan amount as at 30 June 2021 was \$0.28 million.

Cash and other financial assets

Cash and current assets at 30 June 2021 totalled \$26.49 million. Strathbogie Shire's liquidity position – (current assets / current liabilities) continues to be very strong with a ratio of 2.16:1.

This ratio means we have \$2.16 of cash and current assets for every \$1.00 of current liabilities. This ratio is slightly lower than 2020 (2.65:1) due to higher expenditure on capital works. Legislative restrictions on Strathbogie Shire's cash at 30 June 2021 total \$0.55 million. This statutory obligation means Strathbogie Shire must set aside sufficient cash to fund amounts held in trust and developer levies.

Our Council



Honeysuckle Creek Ward
Cr Chris Raeburn (Mayor)
 0439 903 993
 chris.raeburn@strathbogie.vic.gov.au



Mount Wombat Ward
Cr Laura Binks
 0437 906 687
 laura.binks@strathbogie.vic.gov.au



Hughes Creek Ward
Cr Paul Murray
 0450 091 501
 paul.murray@strathbogie.vic.gov.au



Seven Creeks Ward
Cr Kristy Hourigan
 0427 105 836
 kristy.hourigan@strathbogie.vic.gov.au



Lake Nagambie ward
Cr Reg Dickinson
 0437 932 147
 reg.dickinson@strathbogie.vic.gov.au



Seven Creeks Ward
Cr Sally Hayes-Burke
 0427 397 801
 sally.hayes@strathbogie.vic.gov.au



Lake Nagambie Ward
Cr Melanie Likos
 Resigned August 2021

Our People



Chief Executive Officer
Julie Salomon
 julie.salomon@strathbogie.vic.gov.au



Executive Manager Communications and Engagement
Kristin Favaloro
 kristin.favaloro@strathbogie.vic.gov.au



Director Corporate Operations
David Roff
 david.roff@strathbogie.vic.gov.au

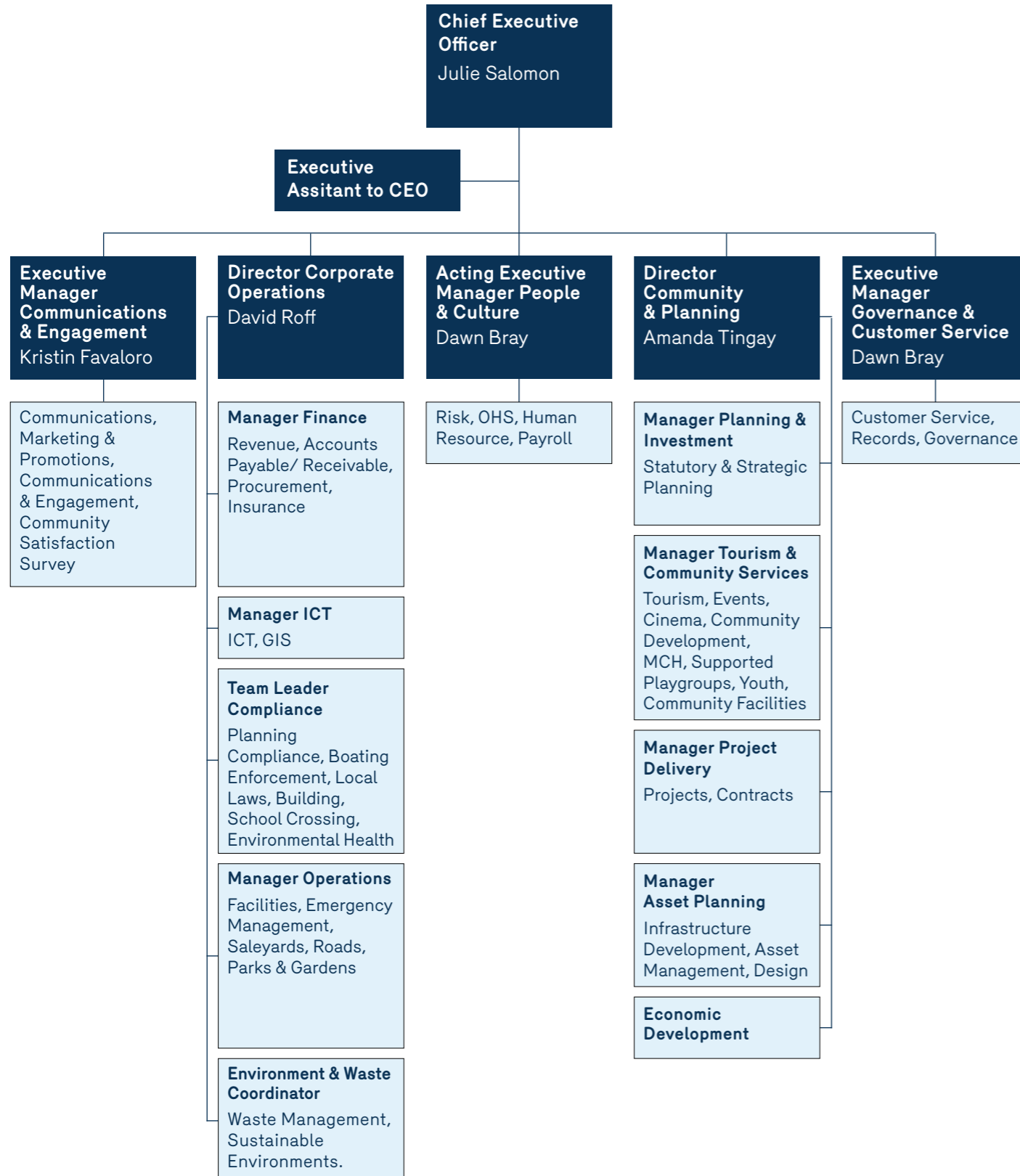


Executive Manager Governance and Customer Service
Acting Executive Manager People and Culture
Dawn Bray
 dawn.bray@strathbogie.vic.gov.au



Director Community and Planning
Amanda Tingay
 amanda.tingay@strathbogie.vic.gov.au

Our Organisation



Our Staff

The table below shows the number of full-time equivalent staff in each department.

	Executive FTE	Corporate	Community and Planning	People and Culture	Communication and Engagement	Governance and Customer Service	Total FTE
Permanent Full Time (F)	2	13	6	2	3	3	29
Permanent Full Time (M)	0	51	11	1	0	0	63
Permanent Part Time (F)	0	4.91	5.15	1.44	3.03	4.85	19.38
Permanent Part Time (M)	0	2.59	0.6	0	0	0	3.19
Casual (F)	0	1.76	0	0	0	0.58	2.34
Casual (M)	0	2.5	0	0	0	0	2.5
Total	2	75.76	22.75	4.44	6.03	8.43	119.41

The table below shows the number of full-time equivalent staff in each banding.

	Band 1	Band 2	Band 3	Band 4 FTE	Band 5	Band 6 FTE	Band 7	Band 8	All Other FTE	Total FTE
Permanent Full Time (F)	0	0	2	3	4	8	4	3	8	32
Permanent Full Time (M)	0	0	28	7	6	3	5	3	8	60
Permanent Part Time (F)	0	0.28	0	6.91	4.02	6.22	0.68	0	1.27	19.38
Permanent Part Time (M)	0	2.59	0	0	0.6	0	0	0	0	3.19
Casual (F)	0.65	1.11	0	0.58	0	0	0	0	0	2.34
Casual (M)	0.44	0.46	1.6	0	0	0	0	0	0	2.5
Total	1.09	4.44	31.6	17.46	14.62	17.22	0.68	6	17.27	119.41

People and Culture



COVID-19 Pandemic

The COVID-19 Pandemic has been a challenging time for Strathbogie Shire employees and volunteers. Since March 2020 we have seen many changes to the way we work through enacting our Business Continuity Plan and transitioning to working from home arrangements, splitting our workforce into Team 1 and Team 2 arrangements, and returning to the workplace in line with Government restrictions.

We also had periods when we closed our doors to the public and closed our Cinema and Visitor Information Centres in line with Government restrictions.

Strathbogie Shire understood that these were anxious and challenging times for our employees having to change the way they worked and, in some cases, needing to home school children or care for others.

Council's primary goal was the welfare and safety of staff during this period and flexible working arrangements were offered such as working different hours, offering alternate duties and accessing various leave options.

Staff were also encouraged to access Council's Employee Assistance Program (EAP) counselling service. The 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.

Council continues to work through the challenges the pandemic has thrown at us, but overall are proud of our achievements during this difficult period.

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.

Although the past year has been difficult to provide training opportunities to our employees due to the pandemic, there has been an increase of webinars and e-learning. We were still able to

provide compliance training to 70 employees during 2020-21 including First Aid, CPR, Traffic Management, Health and Safety Representative, and Emergency Warden Training.

Recognition of years of service

Strathbogie Shire values the important role its staff play in the success of the organisation. During 2020-2021 numerous staff service awards were presented in recognition of key service milestones. These included:

- One employee for 40 years
- One employee for 30 years
- Two employees for 20 years
- Two employees for 15 years
- Three employees for 10 years
- Five employees for five years

VAGO Sexual Harassment in Local Government Audit

In June 2020, the Victorian Auditor-General's Office conducted a survey on the subject of Sexual Harassment within the Local Government sector. This confidential survey was sent to staff and Councillors with supporting encouragement for all to complete. Of the 79 Victorian local Councils, Strathbogie Shire were one of the 75 that participated.

Broadly speaking VAGO concluded that:

- Councils are not providing workplaces free from sexual harassment
- More than one in four Councillors and Council staff surveyed said they had experienced sexual harassment in the last 12 months
- Although Councils have the tools that could prevent these experiences, they do not use them to their full advantage

The report made 12 recommendations to Councils which included:

- the introduction of mandatory training on sexual harassment for staff and Councillors
- a review of Council complaint procedures
- and improved record keeping of said complaints

Council adopted an Action Plan relating to these 12 recommendations in February 2021 which will see improvements made in this space. A stand-alone Sexual Harassment Policy was adopted in May 2021 and has now been rolled out across the organisation. Organisation-wide training has been scheduled for late 2021.

Gender Equality Act 2020

The Gender Equality Act 2020 commenced on 31 March 2021 and provides legislation to promote gender equality in our policies, programs and services. As a leader in the community, Council should role model gender equality in the public we serve.

Council began conducting a workplace gender audit in June 2021 to collect data through an employee experience survey and workforce data. This audit will be used to develop a four year Gender Equality Action Plan (GEAP) by the end of 2021 and will provide strategies and measures to make change based on results.

Working for Victoria Project

Strathbogie Shire Council received funding for up to 43 new jobs through the Victorian Government's Working for Victoria initiative to assist those impacted by the COVID-19 pandemic.

The new six-month roles were created to provide support to our community in areas such as planning and assets, information technology, communications, project management, maintenance and repairs, community engagement initiatives and cleaning to help the community get back on its feet.

Strathbogie Shire was able to employ 41 new employees of the 43 positions we received funding for, with the majority of those employed living locally within our municipality.

Overall the project was very successful for both Strathbogie Shire and the individuals employed to assist during a difficult period and respond to the challenges of the COVID-19 pandemic.



Delivering our Council Plan

The following reviews the performance of the Shire against the Council Plan including results achieved in relation to the strategic indicators included in the Council Plan. To summarise our operational performance in the last year of our Council Plan we achieved:

72%

of actions are 100% complete

10%

of actions are 90% or more complete

5%

of actions are between 75-90% complete

13%

of actions of actions are under 75% complete





Council Plan – Goal 1:

To enhance community health and wellbeing



Strategy 1.1: Plan for the improved community health, wellbeing and liveability

Action	Percentage complete	Comments
Work with the Strathbogie Health and Community Services Consortium to determine future direction.	100%	Achievements include: <ul style="list-style-type: none"> Partnership developed with Euroa Health and Nagambie Health Two blocks of land transferred to Nagambie Health
Undertake self-assessment under Workplace and Equality and Respect Standards.	100%	Achievements include: <ul style="list-style-type: none"> Gender equality training for Councillors and staff Meeting all requirements of the Gender Equality Act
Review parking arrangements at Avenel Pre-School and Maternal Child and Health.	100%	Improvement works complete
Continue to review and implement priorities from the Walking Tracks and Trails Strategy.	90%	Achievements include: <ul style="list-style-type: none"> 11 priority tracks and trails mapped Promotion on Victoria Walks website, Great Walks magazine, and Council’s communications channels
Seek grant funding to accelerate improvements to the footpath network.	100%	All relevant grant funding identified and information provided to relevant team
Commence new planning cycle for Municipal Public Health and Wellbeing Plan (MPHWP).	100%	Achievements include: <ul style="list-style-type: none"> Application to integrate the MPHWP into Council Plan sought and granted. Community engagement complete through Share Strathbogie.
Prioritise actions within the Play and Recreation Framework to allocate available budget to locations	100%	Funding allocated to priority actions
Work with community to implement provision of dogs off leash areas	100%	Euroa Off-Leash Dog Park opened and operational
Promote responsible pet ownership through the implementation of Council’s Domestic Animal Management Plan 2017-21	95%	Promotional work is ongoing and will be incorporated in revised Domestic Animal Management Plan review.
Review Council’s Community and Meeting Procedure Local Laws - to reflect contemporary issues	100%	Community Local Law No.2 adopted by Council September 2020.
Complete MOU with Nagambie Health for delivery of Nagambie Ageing Hub	90%	Council to proceed and agreement in draft.

Strategy 1.2: Engage and participate with the community in Council / Community initiatives

Action	Percentage complete	Comments
Continue to support local community planning processes across the Shire including implementation	75%	Progress affected by COVID-19 pandemic. Achievements include: <ul style="list-style-type: none"> • Workshop with all action groups • Workshop with all committees of management • Funding provided to action groups through CASI initiative
Review status of Recreation Reserve Master Plans	40%	Progress affected by COVID-19 pandemic. Achievements include: <ul style="list-style-type: none"> • Stage one of Friendlies Precinct works complete • Stage two Friendlies masterplan works underway • Actively working with Longwood Recreation Reserve to seek funding.
Achieve funding and deliver Nagambie Youth Hub	100%	Achievements include: <ul style="list-style-type: none"> • Youth hub complete • Disabled toilet access provided • Funding achieved and work complete on adjacent Nagambie Active Hub

Strategy 1.3: Enhance community resilience, including supporting and increasing the participation of volunteers

Action	Percentage complete	Comments
Negotiate MOUs with indigenous representative groups with the aim of developing Reconciliation Action Plans	75%	Community engagement complete with significant input achieved. Report to be presented to Council in September 2021.
Review public transport options within the Shire	50%	Progress impacted by COVID-19 pandemic. Working with public and private transport operators, along with actions groups.
Recognise and profile the importance of volunteers in our local community	100%	Achievements include: <ul style="list-style-type: none"> • Successful advertising campaign for new volunteers • National Volunteer Week celebration
Seek funding for provision of emergency power at relief centres, places of last resort within the Shire	75%	Funding application successful to purchase portable generators to power all sites.

Continue consultation with Fire Brigade Captains to explore Fire Management Planning and CFA Best Practice	100%	Achievements include: <ul style="list-style-type: none"> • Fire Management Plan Review complete • Roadside spraying program complete • Fire inspections complete and infringements issued. • Fire brigade group officers meetings ongoing
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Strategy 1.4: Support and drive community, arts and cultural events

Action	Percentage complete	Comments
Continue implementation of Shire wide youth programs that focus on cultural activities, training and development, pathways to employment and civic participation	100%	Achievements include: <ul style="list-style-type: none"> • Nagambie Youth Hub complete • Youth Officer on board • Youth event at GoFish • Youth movie night
Investigate potential for art work on Nagambie Water Tower	100%	Artist engaged to complete art work at the Nagambie Youth Hub Building, after water tower deemed unsuitable.
Begin implementation of Tourism Arts and Culture Strategy Action Plan	100%	Achievements include: <ul style="list-style-type: none"> • Delivery of ArtsACTION program in collaboration with seven Councils • 12-month action plan developed • Recruitment drive for Arts and Culture Officer





To sustainably manage our natural and built environment



Strategy 2.1: Promote and support sustainable environmental initiatives

Action	Percentage complete	Comments
Continue to support Landcare groups and Catchment Management Networks to target weed and pest animal management on roadsides	100%	Achievements include: <ul style="list-style-type: none"> • Roadside Weeds and Pest Program complete • Action underway to secure further funding
Complete work with event organisers to implement Zero Waste events	100%	Achievements include: <ul style="list-style-type: none"> • Waste Wise Event Guide adopted • Waste Wise Events Policy adopted
Support sustainable energy initiatives in the Strathbogie Shire in conjunction with the Environment and Sustainable Development Advisory Committee	100%	Achievements include: <ul style="list-style-type: none"> • Council signed onto Victorian Energy Collaboration Agreement (VECO) to commit 100 per cent of its energy supplied from renewables • Climate Emergency declaration
Support Clean Up Australia Day	100%	Achievements include: <ul style="list-style-type: none"> • Clean up Australia Day undertaken • Fee waivers at transfer stations on this day • Further Clean up event at Euroa Secondary College undertaken
Continue to support the Goulburn Broken Greenhouse Alliance (GBGA)	100%	Achievements include: <ul style="list-style-type: none"> • Active member of GBGA • Growing Cooler Climates project lead • Funding secured for Naturally Cooler Towns project
Implement the recommendations of Council’s Domestic Wastewater Management Plan, including working with Goulburn Valley Water to explore small town sewer schemes	10%	Yet to be substantially progressed due to competing priorities and delays in developing the software for identifying the best treatment for small sewer schemes

Strategy 2.2: Mitigate and adapt to a changing climate

Action	Percentage complete	Comments
Implement initiatives within the Sustainable Strathbogie 2030 Plan	100%	Achievements include: <ul style="list-style-type: none"> • Implementation of program to record, analyse and report Council’s energy, water, fleet and waste emissions and financial. • Signed onto VECO agreement to purchase Council’s power from 100 per cent renewables. • Climate Emergency declaration
Identify priorities for flood mitigation/drainage in Violet Town	100%	Achievements include: <ul style="list-style-type: none"> • Pit and pipe survey • Shiffner Street Drainage Design • Violet Town Drainage Strategy to Bypass Town Centre
Include urban forestry into urban design frameworks to increase the shaded environment of our townships and implement pilot program	100%	Achievements include: <ul style="list-style-type: none"> • Community planting days completed in Euroa, Nagambie and Violet Town. Potential future sites identified and documented.
Partner with agencies (Catchment Management Authority, Agriculture Victoria, Goulburn-Murray Water, Goulburn Valley Water) to deliver a series of listening posts for farmers to identify issues of concern and how they can be addressed	100%	Achievements included: <ul style="list-style-type: none"> • Proactive partnerships with local Landcare groups to deliver education to landowners on land management issues.

Strategy 2.3: Protect and enhance our natural environmental assets

Action	Percentage complete	Comments
Review/Implement Tree Management Guidelines	95%	Draft document is now complete with assessment and risk mapping underway.
Continue to assist new landowners in land management through New Residents booklet, website and other means	100%	Achievements include: <ul style="list-style-type: none"> • Clear and concise information on Council’s website • Partnerships with Euroa Arboretum, Landcare and Catchment Management Authorities to deliver training for small lot landowners.

Strategy 2.4: Protect and enhance our built environment

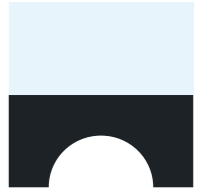
Action	Percentage complete	Comments
Implement priority actions from the Stormwater Management Plan	100%	Achievements include: <ul style="list-style-type: none"> • Stormwater Drains Design Program • Pit and pipe renewal program • Bank, Queen and Belmont Streets, upgrade works • Nagambie Industrial Estate scoping study • McGregor Avenue Retarding Basin Upgrade • Flood levee easements • Ballantyne Road Retention Basin design • Boundary Road South upgrade • Castel Creek Floodplain Management Plan and levee monitoring • Nagambie open space and recreation reserve alternative water supply feasibility study.
Develop Guidelines and priority locations for improvements to street lighting in accordance with adopted policy	100%	Street Lighting Policy adopted.

Strategy 2.5: Provide efficient and effective waste management programs

Action	Percentage complete	Comments
Implement expanded kerbside collection on collection routes as identified in the Waste Management Strategy	100%	Achievements include: <ul style="list-style-type: none"> • Routes were extended to meet sufficient demand from residents • Ongoing investigations of route extensions continue.
Work with Goulburn-Murray Water to review and implement improved waste collection techniques on our waterways	100%	Achievements include: <ul style="list-style-type: none"> • Clean Up Australia Day at Lake Nagambie



To provide quality infrastructure

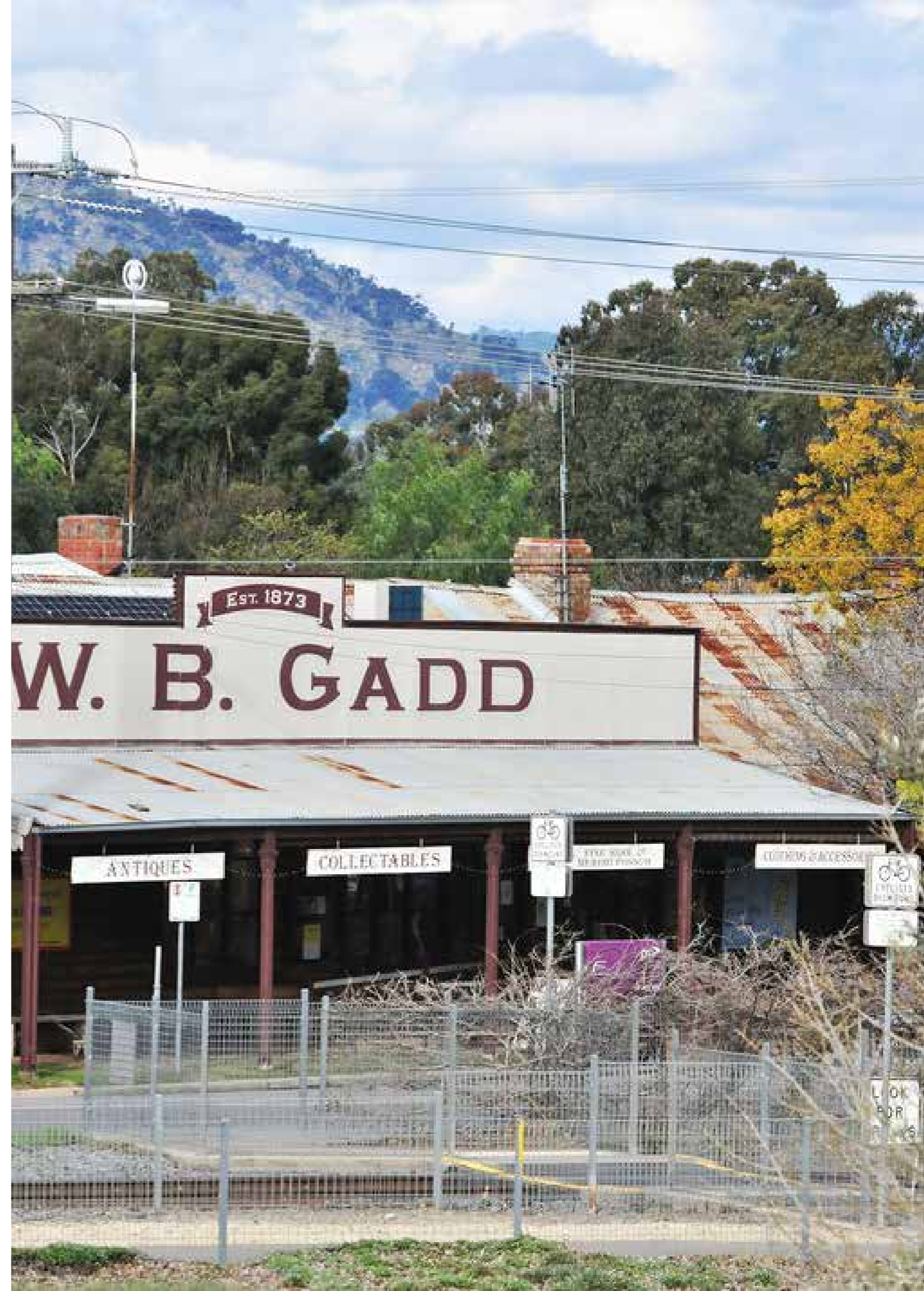


Strategy 3.1: Provide best practice management of all assets including roads, bridges and facilities

Action	Percentage complete	Comments
Review Council asset list to ensure ongoing need	100%	Achievements include: <ul style="list-style-type: none"> • Report identifying Council owned properties complete • Identified land advertised for sale.
Complete survey and design for footpaths, kerb and channelling and parking at the east end of Bank, Belmont, Queen Street, Avenel	100%	Achievements include: <ul style="list-style-type: none"> • Community consultation on concept design • Approval granted by Rural Roads Victoria • Tender advertised and awarded • Work complete
Target major capital works projects to seek government funding to reduce Council’s costs	100%	Achievements include: <ul style="list-style-type: none"> • Funding for Nagambie Youth Hub (\$250,000) • Funding for Nagambie-Locksley Road bridge works (\$600,000) • Federal Government funding approved for Local Roads and Community Infrastructure (\$1.2 million) • Funding for Nagambie Foreshore Path granted (\$3 million)
Progress review of Nagambie Growth Management Plan	100%	Achievements include: <ul style="list-style-type: none"> • Plan review complete • Main Street Plan scope of works complete • Tender released and awarded
Formalise Euroa parking arrangements after adoption of Euroa Township Strategy	10%	Initial review of five key recommendations within Euroa Strategic Plan complete. No further progress due to competing priorities.
Continue support of Roads Advisory Committee	50%	On hold as Council reviews engagement approach, including advisory committees.
Prioritise outcomes of condition assessment of public toilets	40%	Achievements include: <ul style="list-style-type: none"> • Public toilet condition assessment complete. • No further progress due to competing priorities.
Implement extension of angle parking in Nagambie including 2-hour limit in appropriate locations	100%	Achievements include: <ul style="list-style-type: none"> • Signage plan completed, procured and implemented in 2020.

Strategy 3.2: Provide passive and active recreational facilities

Action	Percentage complete	Comments
Investigate and consult in relation to providing link bridge at Rockies over the Seven Creeks in Euroa and over Hughes Creek between Kent Street and Watson Street in Avenel	100%	Achievements include: <ul style="list-style-type: none"> • Funding for Rockies Bridge secured • Community engagement through Euroa’s Share Strathbogie sessions • Rockies Bridge to be constructed 2021/22 • Hughes Creek Bridge work halted by flooding concerns raised by environmental authority.
Construct pedestrian bridge linking Memorial Oval and Friendlies Reserve in Euroa	100%	Achievements include: <ul style="list-style-type: none"> • Works completed on time and within budget • Community communications complete
Continue to implement outcomes of the Community Pools Strategy	100%	Achievements include: <ul style="list-style-type: none"> • Belgravia Leisure engaged to manage pools for 2021/22 season • New approach to pool communications through establishment of social media pages and websites • Pools working party formed • Point of sale computer systems and attendance tracking implemented • Shade sales in Euroa and Avenel installed. • Works to repair Avenel Pool underway.
Seek Stage 2 funding for Stage 2 boardwalk Seven Creeks Park in Euroa	100%	Achievements include: <ul style="list-style-type: none"> • Three funding submissions made. One unsuccessful, two in progress
Progress priority projects identified in the Nagambie Tourism Infrastructure Business Case	100%	Achievements include: <ul style="list-style-type: none"> • Funding applications made for rowing course deepening, peninsula extension, foreshore walk unsuccessful. • Further funding application for \$3 million foreshore walk was successful





To support and drive economic development



Strategy 4.1: Promote and support local business and produce

Action	Percentage complete	Comments
Promote local businesses through a Bi-Annual Business Awards program	100%	On hold with both groups asking to delay during coronavirus pandemic
Support and engage with local representative business groups	80%	Achievements include: <ul style="list-style-type: none"> Establishment of regular email bulletin to more than 750 local businesses Funding released to Go Nagambie and Euroa Chamber of Commerce to support membership and COVID recovery Continued engagement with local business groups

Strategy 4.2: Support tourism and business development

Action	Percentage complete	Comments
Review results of Longwood free camping trial and implement	90%	Achievements include: <ul style="list-style-type: none"> Longwood free camping endorsed and operational
Partner with business groups to develop support programs	100%	Achievements include: <ul style="list-style-type: none"> Establishment of regular email bulletin to more than 750 local businesses Funding released to Go Nagambie and Euroa Chamber of Commerce to support membership and COVID recovery Continued engagement with local business groups
Continue to promote smaller communities through presence on the Strathbogie Shire website, the investigation of interpretive signs and historical information and other mediums	100%	Achievements include: <ul style="list-style-type: none"> Website map update to include smaller towns Township based promotional podcasts – focussing on hospitality opportunities released Promotional campaign underway.
Implement Policy on town entry and roadside signage	90%	Achievements include: <ul style="list-style-type: none"> Boundary, Town Entry and District Signage Policy adopted
Ensure appropriate involvement in new regional tourism structure	100%	Achievements include: <ul style="list-style-type: none"> Advocacy through letters and meetings with relevant Ministers asking for Strathbogie Shire to be recognised on Regional Tourism Board
Install a dump point in Nagambie	100%	Achievement include: <ul style="list-style-type: none"> Investigation of location complete Installation of dump point complete

Strategy 4.3: Provide innovative and sustainable land use planning

Action	Percentage complete	Comments
Seek funding to review rural land use/rural residential strategy	100%	Achievements include: <ul style="list-style-type: none"> • Advocacy work with relevant Ministers • No funding available to date • Allocation to progress review in 2021/22 Budget
Review, in conjunction with the community, to identify options for footpath, roads and kerb and channel works in Cowslip Street, Violet Town, similar to works identified for Bank Street, Avenel	40%	Achievements include: <ul style="list-style-type: none"> • Research into Violet Town Development Plan • Supporting documentation review • Discussions progressed with relevant stakeholders • Next steps Council to progress data collection and prepare concept designs. • Progress limited while other projects prioritised.
Review Violet Town Master Plan 2020/21	50%	Achievements include: <ul style="list-style-type: none"> • Internal review to determine on-ground assets. • Further work to be completed. Project on hold due to project prioritisation.

Strategy 4.4: Attract new residents

Action	Percentage complete	Comments
Review effectiveness of rating incentive package in new residents to the Strathbogie Shire	100%	Data shows limited uptake and 2021/22 Budget allocation discontinued.

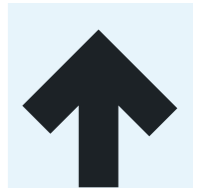
Strategy 4.5: Grow investment and employment opportunities

Action	Percentage complete	Comments
Review, update and resource the Economic Development Master Plan and implement priority actions	30%	Achievements include: <ul style="list-style-type: none"> • Economic profile complete • Economic Strategy Development underway.





To be a high performing Shire



Strategy 5.1: To proactively develop and deliver quality services that achieve high customer satisfaction

Action	Percentage complete	Comments
Continue to enhance customer experiences through ongoing development of customer relationship management system	100%	Achievements include: <ul style="list-style-type: none"> • Work to improve website functionality ongoing • Online payment system launched • Councillor portal improvements made • Working with organisation to improve performance around responding to customers.

Strategy 5.2: Continue to focus on operational efficiencies

Action	Percentage complete	Comments
Develop framework for service planning inclusive of community consultation	100%	Achievements include: <ul style="list-style-type: none"> • Eight Share Strathbogie face-to-face engagement sessions complete • Community Engagement Policy review to include deliberative engagement approach and principles adopted in February 2021.
Continue to explore opportunities through collaboration with other Councils in service delivery	100%	Achievements include: <ul style="list-style-type: none"> • Digital transformation working group established with representatives from Mansfield, Murrindindi and Strathbogie Shires. • Funding submission complete and submitted.
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	100%	Achievements include: <ul style="list-style-type: none"> • Structure implemented with focus on Communications and Engagement, Governance and Customer Service and People and Culture • KPIs to support Customer Charter introduced • Leadership culture program complete
Prioritise outcomes of ICT strategy to aid business transformation through finalisation of “Roadmap”	90%	Achievements include: <ul style="list-style-type: none"> • Discussions on regional collaborations underway

Develop Action Plan to address outcomes of the 2020 Community Satisfaction Survey in order to improve customer service and address areas of concern	100%	<p>Achievements include:</p> <ul style="list-style-type: none"> Action plan developed to focus on 'The Four Cs' – Customer Service, Communications, Consultation and Engagement and Community Decisions. Through this we have: <ul style="list-style-type: none"> Community Engagement Strategy updated to include deliberative engagement for development of Community Vision and Council Plan Developed a set of engagement principals our plans and projects with the community must adhere to Launched online engagement platform Share Strathbogie Revamped and redesigned all communications channels including newsletter, advertising, eNews, social media. 2021 Community Satisfaction Survey up a statistically significant seven points to all time high rating.
Improve access to 'in the field' software and hardware for key Council functions to improve response times to permit applications and customer queries	95%	<p>Achievements include:</p> <ul style="list-style-type: none"> Environmental Health and Building applications final testing in progress

Strategy 5.3: Continue to create a secure investment environment through sound financial management

Action	Percentage complete	Comments
Implement training in relation to Procurement and Contract Management Guidelines	100%	<p>Achievements include:</p> <ul style="list-style-type: none"> Procurement plan review complete Procurement Policy updated and adopted Procurement training complete
Refine Long Term Financial Plan covering Ten Year period	100%	<p>Achievements include:</p> <ul style="list-style-type: none"> Long term financial plan completed as part of 2021/22 Budget process Finalised and adopted with 2021/22 Budget
Develop and implement Project Management Framework	100%	<p>Achievements include:</p> <ul style="list-style-type: none"> Project Management Framework complete Significant increase in projects delivered in 2020/21.

Strategy 5.4: To be equitable and fair in all decision-making processes

Action	Percentage complete	Comments
Ensure strategies are developed in conjunction with key stakeholders on a regional basis - i.e. Hume Region Local Government Network	100%	<p>Achievements include:</p> <ul style="list-style-type: none"> Participation in Hume Region Local Government Network Participation in network's strategic workshop to set priorities and advocacy agenda on key regional issues Draft strategy and advocacy agenda complete
Promote open and transparent reporting of Council decision making including Know Your Council Data	100%	<p>Achievements include:</p> <ul style="list-style-type: none"> 2019/20 Results uploaded

Strategy 5.5: To communicate and engage effectively with our community and key stakeholders

Action	Percentage complete	Comments
Implement Communications and Engagement Strategy including training	100%	<p>Achievements include:</p> <ul style="list-style-type: none"> Community Engagement Strategy Policy updated to include deliberative engagement for development of Community Vision and Council Plan Developed a set of engagement principals our plans and projects with the community must adhere to Launch of online engagement platform Share Strathbogie Embedding community engagement in the Project Management Framework Eight face-to-face Share Strathbogie sessions complete Proactive media calendar established Engagement plan that ensured input into Draft Budget. Launched Pitch my Project initiative to allow the community to pitch projects and ideas to include in the 2021/22 Budget Revamped MyStrathbogie Bulletin Launch of monthly eNews Community column in Euroa Gazette and Nagambie Voice

Work with local business associations to develop a Shire-wide skills bank that values and recognises local knowledge	20%	Achievements include: <ul style="list-style-type: none"> • Work progressing with GoTAFE to launch mobile facilities across Shire. Launch to occur September 2021. • Further work not progressed due to coronavirus restrictions.
Actively seek partnerships to achieve our Council Plan	100%	Achievements include advocacy meetings with: <ul style="list-style-type: none"> • Strathbogie Shire community • Members of Parliament • Regional stakeholder groups including: <ul style="list-style-type: none"> – Goulburn Regional Partnerships – Hume Region Local Government Network – Regional Development Victoria – Regional Development Australia – Go Nagambie – Euroa Chamber of Commerce – Other stakeholders as required

2021 Strathbogie Shire Councillors



Governance

In Victorian, Councils are constituted under the Act to provide leadership for the good governance of the municipal district and the local community. Council has a number of roles including:

- Taking into account the diverse needs of the local community in decision-making
- Providing leadership by establishing strategic objectives and monitoring achievements
- Ensuring that resources are managed in a responsible and accountable manner
- Advocating the interests of the local community to other communities and governments
- Fostering community cohesion and encouraging active participation in civic life.

Council is committed to effective and sustainable forms of democratic and corporate governance as the key to ensuring that Council and its administration meet the community’s priorities. The community has many opportunities to provide input into Council’s decision-making processes including community consultation, public forums such the ability to make submissions to Council and ask questions at Council meetings.

Council’s formal decision-making processes are conducted through council meetings. Council delegates the majority of its decision-making to Council staff. These delegations are exercised in accordance with adopted Council policies.

Our focus on good governance

This year saw a significant focus on good governance following the

general election of 24 October 2020 and the induction of the newly elected Council, which saw six new Councillors being elected for the first time.

An intensive induction program was delivered to the Council, following their swearing in on 17 November 2020, as per the new requirements under the Local Government Act 2020 (the Act). Further, Councillors signed declarations that they had completed the mandatory training as required under section 32 of the Act at a Council meeting held on 18 May 2021.

The induction process delivered intensive training on the following topics:

- The role of a Councillor, a Mayor and a Deputy Mayor
- The role of the Chief Executive Officer
- Practices, protocols or policies in relation to the interaction between Council staff and Councillors
- Overarching governance principles and the supporting principles outlined by the Local Government Act 2020
- Standards of conduct for Councillors, including two workshops to develop a new Councillor Code of Conduct adopted in February 2021. What constitutes misconduct, serious misconduct and gross misconduct under the Local Government Act 2020, as outlined in the new Councillor Code of Conduct. Internal arbitration process and the Councillor conduct process, facilitated by the development of the new Councillor Code of Conduct
- Engagement and reconciliation

with the traditional owners of land in the municipal district of the Council through a presentation from Matthew Burns, CEO Taungurung Land and Water Council.

- Giving effect to gender equality, diversity
- Overview of all department functions, responsibilities, key legislation and key projects/ initiatives
- Overview of key Council policies and directives.
- Overview of the integrated strategic planning framework, including sound financial planning
- Strategic and Statutory Planning 101
- Fraud and Corruption framework and overview of the role and responsibilities of integrity agencies
- Audit and Risk Committee Charter, with a meeting with community representatives and Internal Auditors that form the Audit and Risk Committee
- Delegation instruments and how they work
- Community Engagement Policy and Strategy
- Deliberative engagement techniques for the development of strategic documents delivered by members of the Executive Leadership Team and Mosaic Lab through a series of workshops.
- Public interest disclosure policy and procedures
- Overview of Councillor integrity and governance policies and procedures (including expenses, gifts and conflicts of interest)
- Meetings procedures, Governance Rules and good

- decision making workshop
- Recognising and managing conflicts of interest
- Managing and mitigating climate change delivered by Bronwyn Chapman from the Goulburn Broken Greenhouse Alliance
- Overview of capital project planning and delivery framework.
- Customer service initiatives and logging requests on behalf of the community through the Councillor Portal.

Adoption of new policies

The introduction of a new Local Government Act in 2020 saw the development of a suite of strategic documents and policies during the year, in accordance with timelines and requirements prescribed by the Act including:

- Councillor Code of Conduct
- Council Gift, Benefits and Hospitality Policy
- Community Engagement Policy
- Annual Budget
- Rating and Revenue Plan.

Code of Conduct

In accordance with section 139 on the Act a new Councillor Code of Conduct was adopted by Council on 16 February 2021.

The Code forms the foundation for Council's firm commitment to good governance as it discharges the duty of a council prescribed by section 8 of the Act, which is to govern for the benefit and wellbeing of the whole Strathbogie Shire community: that is those who live here, our ratepayers, visitors, traditional owners of the land and those who conduct businesses or activities across our diverse shire.

The Code sets out the values and

behaviours to be adhered to at all times as a means of abiding by the following prescribed codes of conduct under the Act:

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

The code's development was driven by the elected Council through two intensive workshops and includes and informal internal resolution processes that may be enacted should disagreements arise between Councillors or if a complaint is received about Councillor conduct not being in line with this Code.

The Code has an emphasis on addressing any issues or tensions that may arise from time to time quickly, in a respectful manner and with the objective of developing a mutual understanding of the impact the alleged behaviour has had on others. A more formal internal arbitration process is also outlined if a party seeks a finding of misconduct through the appointment of an internal arbiter by the Principal Councillor Conduct Officer, which is one of the mandatory requirements prescribed by the Act.

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. Sections 127 and 128 of the Act provide clarity around what constitutes a general and material conflict of interest.

Council has a comprehensive procedure in place to accommodate the disclosure of a conflict of interest by both Councillors and delegated officers. Declaration of a conflict of interest is a standard agenda item for all council and meetings.

Smart forms are provided to all Councillors and delegated officers to use to make the declaration process as easy and transparent as possible. These forms are then reviewed by the Executive Manager, Governance & Customer Service and the Chief Executive Officer. These forms are then recorded on conflict of interest register.

While the procedures vary depending on the particular circumstances, once a conflict has been declared the Councillor excludes themselves from any discussion or debate on the matter and leaves the meeting (whether it be a formal Council meeting or an informal briefing). Instances where Councillors have left a meeting due to a conflict of interest are recorded in the minutes for that meeting.

During 2020-21, 14 conflicts of interest were declared at council meetings.

Council Meetings

Previous Council: Councillor Attendances At Council And Planning Committee Meetings. 1 July 2020 to 30 October 2020

Councillor	Ordinary Council Meeting	Special Council Meeting	Planning Committee	Total
Cr Amanda McClaren	4	3	1	8
Cr Malcolm Little	4	3	2	9
Cr John Mason	4	3	2	9
Cr Alistair Thomson	4	3	2	9
Cr Graeme Williams	4	3	2	9
Cr Robert Gardner	4	3	2	9
Cr Chris Raeburn	4	3	2	9
Number Of Meetings	4	3	2	9

Current Council: Councillor Attendances At Council Meetings. 1 November 2020 to 30 June 2021

Councillor	Council Meetings	Extraordinary Council Meetings	Total
Cr Laura Binks	8	5	13
Cr Reg Dickinson	8	5	13
Cr Sally Hayes-Burke	8	5	13
Cr Kristy Hourigan	8	3	11
Cr Melanie Likos	7	5	12
Cr Paul Murray	8	5	13
Cr Chris Raeburn	7	3	10
Number Of Meetings	8	5	13

Councillor Support, Resources, Reimbursements and Reporting of Expenses Policy 2021

Councillor Allowances

In accordance with Section 39 of the Act and the Council Expenses Policy 2021, Councillors are entitled to receive an allowance while performing their duty as a Councillor. The Mayor is also entitled to receive a higher allowance.

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

The following table contains details of current allowances fixed for the Mayor and Councillors, noting that there was a general election in October 2020 and therefore allowances to the former Council are also included.

Current allowances fixed for the Mayor and Councillors.

Councillor	Allowance
Cr Amanda McClaren (former Mayor) (retired)	\$19683
Cr Malcolm Little (retired)	\$6558.41
Cr Mick Williams (retired)	\$6558.41
Cr Alistair Thomson (retired)	\$6558.41
Cr John Mason (former Deputy Mayor) (retired)	\$6558.41
Cr Robert Gardner (retired)	\$6558.41
Cr Chris Raeburn (Mayor) (served on former Council as well)	\$46,682.71
Cr Melanie Likos (former Deputy Mayor)	\$13,085.36
Cr Kristy Hourigan	\$13,085.36
Cr Laura Binks	\$13,085.36
Cr Paul Murray	\$13,085.36
Cr Reg Dickinson	\$13,085.36
Cr Sally Hayes-Burke	\$13,085.36

Notes for Councillor expenses table (page 49)

Car Mileage*	excludes depreciation for Mayoral vehicle excludes expenditure from Mayor's fuel card from Council's assets system excludes \$200 monthly payment from Mayor as vehicle contribution includes vehicle registration costs and maintenance
IT and Comms**	includes hardware costs
Conferences & Training***	excludes Councillor induction program required under the Local Government Act 2020

Report of annual expenses and reimbursements

In accordance with Section 40 of the Act, Council is required to reimburse a Councillor for expenses incurred whilst performing their duties as a Councillor.

Council is also required to adopt and maintain a policy in relation

to the reimbursement of expenses for Councillors. Council's Gifts, Benefits and Hospitality Policy provides guidance for the payment of reimbursements of expenses and the provision of resources, facilities and other support to the Mayor and Councillors to enable them to discharge their duties. Council also publishes in its Annual Report the

details of the expenses, including reimbursement of expenses for each Councillor paid by the Council.

The details of the expenses including reimbursement of expenses for each Councillor and member of a Council committee paid by the Council for the 2020-21 year are set out in the following table.

Councillor expenses

Year 2020-21	Child-family care	Travel	Car Mileage*	IT and Comms**	Conferences & Training***	Other	Total expenses
Mayor Raeburn (returning Councillor sworn in 17 November 2020)	\$0.00	\$0.00	\$86.03	\$3,796.47	\$1,420.91	\$0.00	\$5,303.41
Cr Binks (sworn in 17 November 2020)	\$0.00	\$0.00	\$1,509.84	\$3,730.74	\$827.27	\$0.00	\$6,067.85
Cr Dickinson (sworn in 17 November 2020)	\$0.00	\$0.00	\$1,852.56	\$3,691.09	\$0.00	\$0.00	\$5,543.65
Cr Hayes Burke (sworn in 17 November 2020)	\$0.00	\$0.00	\$0.00	\$3,582.63	\$4,454.55	\$0.00	\$8,037.18
Cr Hourigan (sworn in 17 November 2020)	\$0.00	\$0.00	\$0.00	\$3,607.48	\$0.00	\$0.00	\$3,607.48
Deputy Mayor Likos (sworn in 17 November 2020)	\$0.00	\$0.00	\$0.00	\$3,593.42	\$340.91	\$0.00	\$3,934.33
Cr Murray (sworn in 17 November 2020)	\$0.00	\$0.00	\$2,607.12	\$3,476.99	\$150.00	\$0.00	\$6,234.11
Mayor McClaren (retired October 2020)	\$0.00	\$0.00	\$471.75	\$144.67	\$0.00	\$0.00	\$616.42
Cr Thomson (retired October 2020)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Cr Little (retired October 2020)	\$0.00	\$0.00	\$714.68	\$172.09	\$0.00	\$25.45	\$912.22
Cr Gardner (retired October 2020)	\$0.00	\$0.00	\$0.00	\$71.34	\$0.00	\$0.00	\$71.34
Cr Williams (retired October 2020)	\$0.00	\$0.00	\$0.00	\$192.68	\$0.00	\$0.00	\$192.68
Cr Mason (retired October 2020)	\$0.00	\$0.00	\$0.00	\$159.94	\$0.00	\$0.00	\$159.94

Management

Council has implemented a statutory and better practice framework to strengthen its management framework. Having strong governance and management frameworks leads 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 its report of operations.

Council's Governance and Management Checklist results are set out in the section below.

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

Council's Governance and Management Checklist

Governance and Management Item	Status
Community engagement policy (policy outlining Council's commitment to engaging with the community on matters of public interest)	Adopted in accordance with section 55 of the Act
Community engagement guidelines (guidelines to assist staff to determine when and how to engage with the community)	Current guidelines in operation
Financial Plan (plan under section 91 of the Act outlining the financial and non-financial resources required for at least the next 10 financial years)	Adopted in accordance with section 91 of the Act
Asset Plan (plan that sets out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)	Adopted in accordance with section 92 of the Act
Revenue and Rating Plan (plan setting out the rating structure of Council to levy rates and charges)	Adopted in accordance with section 93 of the Act
Annual budget (plan setting out the services to be provided and initiatives to be undertaken over the next 12 months and the funding and other resources required)	Budget adopted in accordance with section 94 of the Act
Risk policy (policy outlining Council's commitment and approach to minimising the risks to Council's operations)	Current policy in operation
Fraud policy (policy outlining Council's commitment and approach to minimising the risk of fraud)	Current policy in operation
Municipal emergency management plan (plan under section 20 of the Emergency Management Act 1986 for emergency prevention, response and recovery)	Prepared and maintained in accordance with section 20 of the Emergency Management Act 1986
Procurement policy (policy outlining the principles, processes and procedures that will apply to all purchases of goods and services by the Council)	Adopted in accordance with section 108 of the Act
Business continuity plan (plan setting out the actions that will be taken to ensure that key services continue to operate in the event of a disaster)	Current plan in operation

Disaster recovery plan (plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster)	Current plan in operation
Risk management framework (framework outlining Council's approach to managing risks to the Council's operations)	Current framework in operation
Audit and Risk Committee (advisory committee of Council under section 53 and 54 of the Act)	Established in accordance with section 53 of the Act
Internal audit (independent accounting professionals engaged by the Council to provide analyses and recommendations aimed at improving Council's governance, risk and management controls)	Internal auditor engaged
Performance reporting framework (a set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 131 of the Local Government Act 1989)	Current framework in operation
Council Plan report (report reviewing the performance of the Council against the Council Plan, including the results in relation to the strategic indicators, for the first six months of the financial year)	Current report
Financial reporting (quarterly statements to Council under section 138(1) of the Local Government Act 1989 comparing budgeted revenue and expenditure with actual revenue and expenditure.)	Quarterly statements presented to Council in accordance with section 138(1) of the 1989 Act
Risk reporting (six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies)	Risk reports prepared and presented
Performance reporting (six-monthly reports of indicators measuring the results against financial and non-financial performance, including performance indicators referred to in section 131 of the 1989 Act)	Performance reports prepared and presented
Annual report (annual report under sections 131, 132 and 133 of the Local Government Act 1989 to the community containing a report of operations and audited financial performance statements)	Annual report considered at a meeting of Council in accordance with section 134 of the 1989 Act
Councillor Code of Conduct (Code setting out the standards of conduct to be followed by Councillors and other matters.)	Code of conduct reviewed and adopted in accordance with section 139 of the Act
Delegations (documents setting out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff)	Delegations reviewed in accordance with section 11(7) of the Act and a register kept in accordance with sections 11(8) and 47(7) of the Act
Meeting procedures (Governance Rules governing the conduct of meetings of Council and delegated committees)	Governance Rules adopted in accordance with section 60 of the Act

Audit and Risk Committee

The Audit and Risk 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 comprises four external members and two Councillors. Independent members are appointed for a three year term and the Chair is elected from the independent members.

During the year long term Chair Claire Taranto resigned as did Geoff Dobson. A recruitment process was undertaken and Alistair Thomson and Paul Ayton were appointed. Following the 2020 Council election, Councillors Paul Murray and Sally Hayes-Burke were appointed to the Committee. A new Chair was to be elected at the meeting in July 2021.

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

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

Internal Audit

The Shire's internal audit function provides independent and objective assurance that ensure appropriate processes and controls are in place. The function

is resourced by an external provider – AFS and Associates. A risk based three year Internal Audit Plan is revised annually to ensure that the audit resources remain focussed 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 Internal Audit Plan is reviewed and approved by the Audit and Risk Committee annually.

The responsible Director/ Executive Manager for each area reviewed is required to attend the Audit and Risk Committee meeting to respond to questions in relation to any review affecting their area. All audit issues identified are risk rated. Recommendations are assigned to the responsible Director/Executive 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 and Risk Committee.

Council conducted the following reviews in 2020/21:

- Depot Operations
- Tree Management
- Events Management
- Infrastructure Asset Management
- Purchasing Cards

The Committee also considered:

- Review of Risk Profile
- Review of Risk Register
- Review of Risk Training program
- Annual Budget and Financial Statements

- Investment and Cash Management Policy
- Revised Charter for Committee
- Committee Work Plan
- Councillor Expenses
- Human Resources Indicators
- Committee Membership and Recruitment
- COVID-19 Hardship Provisions

External Auditors

Strathbogie Shire is externally audited by the Victorian Auditor General. For the 2020/21 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 provided to the Audit Committee.

Risk Management

In April 2021, Strathbogie Shire Council formally adopted its Business Continuity Plan. This crucial document details how the organisation will deal with business interruption in the face of a catastrophic event. Having used the recent pandemic of Covid-19 as a testing point, the benefits of a regimented process for the continuation of service delivery was evident.

Council adopted the Risk Management Policy and Enterprise Management Framework in line with 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. Council's Strategic Risk Register has been created bringing this requirement 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

While the creation of a new Council Plan may steer our focus to new areas, our risks points remain unaffected. As an organisation that delivers for the community, we remain committed to ensuring we achieve results while maintaining a balance that is both bold and creative, but measured and managed. The overall goal for Council's Risk Profile is to minimise surprises within our operations.

Statutory information

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

Documents available for public inspection

Council is committed to achieving the public interest principles set out in section 58 of the Local

Government Act 2020, which are:

(a) Council decision making processes must be transparent except when the Council is dealing with information that is confidential by virtue of this Act or any other Act;

(b) Council information must be publicly available unless—

(i) the information is confidential by virtue of this Act or any other Act; or

(ii) public availability of the information would be contrary to the public interest;

(c) Council information must be understandable and accessible to members of the municipal community;

(d) public awareness of the availability of Council information must be facilitated.

A range of information is available for public inspection upon request at the Euroa Customer Service Centre at 109A Binney Street Euroa in accordance with Council's Public Transparency Policy and the information which must be publicly available under sections 11(8) and 135(1) of the Act, including:

- A document containing details of overseas or interstate travel (other than interstate travel by land for less than three days) undertaken in an official capacity by Councillor or any member of Council staff in the previous 12 months
- 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) 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.

Council's Public Transparency Policy 2020 outlines our aim to provide ease of access to as much Council held information as possible, while not breaching privacy legislation.

Council will, through this policy, abide by and implement the following public transparency principles, as outlined by section 57(2) of the Act:

- (a) Council decision making processes must be transparent except when the Council is

- dealing with information that is confidential by virtue of this Act or any other Act
- (b) Council information must be publicly available unless:
- (i) the information is confidential under the Act or any other Act; or
- (ii) public availability of the information would be contrary to the public interest
- (c) Council information must be understandable and accessible to members of the municipal community
- (d) public awareness of the availability of Council information must be facilitated.

Best Value

In accordance with section 208B(f) of the Act, at least once every year a Council must report to its community on what it has done to ensure that it has given effect to the Best Value Principles. Council incorporates Best Value Principles through regular business planning and performance monitoring processes and through a commitment to continuous improvement and innovation which is supported by our Sustainable Excellence Program. To further reflect Council's commitment to Best Value, Council has commenced the design and planning of a Service Planning Program which is being rolled out to the whole organisation. This program provides additional review and improvement mechanisms to ensure that Council's services achieve best practice standards in regards to service performance.

The following Best Value initiatives were undertaken during 2021-22:

- budget process – development of guidelines and processes for fees and charges
- improved reporting on cumulative spend and orders raised without purchase orders
- reporting to Council each month on the contracts and tenders approved by Officers under delegation each month
- commencement of the preparation of a new project management framework to overhaul how capital works projects are delivered by planning/designing/scoping in Year 1 and delivery in Year 2 (avoiding project scope creep and the need for variations given specification requirements)
- business planning – development and implementation of integrated approach to business planning
- inclusion of customer service focussed key performance indicators identified by the Customer Service Charter in all staff annual performance plans to improve timelines and accountability for resolving customer enquiries
- monthly reporting to the Executive Leadership Team and Council relating to response timelines to customer requests and correspondence.

Contracts

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 2020-2021 financial year. Council has secured funding to resource this function in-house

and is currently undertaking the recruitment process. 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.

Council directly engaged a Consultant for NBN and mobile connectivity services without conducting a competitive written quotation process, estimated value \$30,000.

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 Well-being '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 2020-2021 include:

- Advocating for programs to increase awareness
- Careers week social media support
- Shine Like a Sunflower (June 2021) to raise awareness and support of Scleroderma by lighting trees up in yellow across our parks. Nearly 6,000 people across Australia live with scleroderma. Scleroderma is Chronic hardening and tightening of the skin and connective tissues.
- Implementation of the Community Connector Role from August 2020 - June 2020.

- Support was provided across three categories:
 - Emotional support such as regular chats with a like-minded local.
 - Practical help such as running errands or helping people to video chat with friends and family.
 - Social activities such as linking into online book clubs, fitness groups or volunteering opportunities.

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 2017 and was last reviewed in 2020. This plan expires in the coming months.

The purpose of the plan is to guide Council's planning and decision making in relation to regulatory controls and service provisions that promote the value of responsible pet ownership and high standards in animal welfare.

In accordance with the current plan, Council delivered its first dedicated off-leash dog park to the residents of Euroa in 2021.

Council also facilitated a formal agreement with the City of Greater Shepparton to provide pound services to ensure that any animal in the care of Council is being housed in accordance with the Animal Welfare Code of Practice.

Council is currently undertaking public consultation to establish the key issues in order to develop its action plans for the coming four years 2021-2025. Once the draft plan is developed, it will be pre-

sented to Council to be adopted by no later than December 2021.

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 2020-2021 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 2020-21 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 its 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 be accompanied by the appropriate application fee (the fee may be waived in certain

circumstances).

- it should identify as clearly as possible which document is being requested

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.

During 2020-21, nine (9) Freedom of Information requests were lodged; seven (7) were granted in part, one (1) was denied in full and one (1) was not finalised until after 30 June 2021.

In accordance with our Public Transparency Policy, we will try and release information without the need to lodge an FOI request. However, where information is requested that contains personal information or information from third parties, a freedom of information request will need to be lodged.

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

Further information regarding FOI can be found at Strathbogie Shire Council website.

Protected Disclosure Procedures

- In accordance with section 69 of the *Protected Disclosure Act 2012* a Council must include in their annual report information about how to access the procedures established by the Council under Part 9 of that Act. It is also required to provide certain information about the number and types of protected disclosures complaints investigated during the financial year.

The *Protected Disclosure Act 2012* aims to ensure openness and accountability in government by encouraging people to disclose improper conduct within the public sector and provide protection for people who make disclosures. Procedures on how to make a disclosure are publicly available Council's website.

Council adopted its Public Interest Disclosures Policy in August 2020, which outlines the following objectives:

Council meets its legislated obligations under the Public Interest Disclosures Act 2012 in relation to the receipt, initial assessment and any subsequent referral of a public interest disclosure to IBAC or another investigative entity.

- that Council employees and the community are provided with clear and consistent advice as to how a disclosure can be made, how it will be assessed and referred to an investigative entity if need be

- that a culture is created across the organisation that encourages and values the reporting of suspected improper conduct, detrimental action or corruption
- that operational priority is given to the receipt, assessment and referral of any public interest disclosure
- that a consistent and effective system is in place for the receipt and initial assessment of all disclosures made to Council
- that robust and consistent procedures are in place to protect the confidentiality and safety of the person making the public interest disclosure
- that the person making the public interest disclosure is kept informed of the progress of their complaint, is supported throughout the process and that no reprisals will result from them making the disclosure

- that processes are in place to protect the confidentiality and wellbeing of the person(s) whom are the subject of the disclosure and those cooperating with any investigation into the matter.

There were no public interest disclosures received by officers appointed to receive disclosures, or by the Independent Broad-based Anti-Corruption Commission (IBAC) during 2020-21.

Infrastructure and Development Contributions

Council does not have a Developer Contributions Plan in place. An amount of \$76,220 was received as Open Space Contribution as were Contributed Assets of \$1,363,611.

Strathbogie Shire Council

Performance Statement

For the year ended
30 June 2021

Strathbogie
shire

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Performance Statement

For the year ended 30 June 2021

Description of municipality

Strathbogie Shire is a rural municipality with the town of Euroa located 164 km north of 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.

Impact of Covid-19

On 16 March 2020 a state of emergency was declared in Victoria due to the global pandemic COVID-19 virus, known as coronavirus. A state of disaster was subsequently declared on 2 August 2020. While the impacts of the pandemic have abated somewhat through the 2020-21 year, Council has noted the following significant impacts on its operations:

Council received additional \$756K capital grant from Federal Government under RLCIP for roads constructions. Also received non recurrent capital grants totalling \$1.08 million for various initiatives for economic support. Part of this is an additional 33 parttime staffing positions for Working for Victoria grant funding of \$1.40 million and received over two financial years (2019/20 and 20/21).

Council has refunded \$43K food/health registration fees to support businesses. Council also applied zero percent rate increase for 20/21 financial year. There are no noticeable impact for asset revaluation due to Covid 19. There was a positive impact to delivery of large capital works due to additional grant fundings and additional staffing from Working for Victoria grant.

Customer service and other possible services were moved to online environment, library services were closed and council halls and other community facilities were also closed during this period. There were no other business disruptions for the operations of the council during the year. Overall impact to the council's operations during the last year has been immaterial even with the considerable impact to service that comes with having to be closed to the public.

Sustainable Capacity Indicators

For the year ended 30 June 2021

Indicator / measure [formula]	Results	Results	Results	Results	Comments
	2018	2019	2020	2021	
Population					
<i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$3,031.18	\$2,691.78	\$2,647.81	\$2,816.59	
<i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$24,569.20	\$24,376.51	\$23,056.21	\$25,715.25	
<i>Population density per length of road</i> [Municipal population / Kilometres of local roads]	4.41	4.49	4.89	4.98	
Own-source revenue					
<i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$1,972.55	\$1,991.64	\$1,991.84	\$2,015.06	
Recurrent grants					
<i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$747.68	\$671.58	\$766.72	\$780.29	
Disadvantage					
<i>Relative Socio-Economic Disadvantage</i> [Index of Relative Socio-Economic Disadvantage by decile]	4.00	4.00	4.00	4.00	

Workforce turnover					
<i>Percentage of staff turnover</i>	8.5%	17.4%	20.6%	10.9%	Number of resignations reduced from 26 in 2019/20 to 13 in 2020/21
[Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100					

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 2021

Service/indicator/measure	Results 2018	Results 2019	Results 2020	Results 2021	Comments
Aquatic Facilities Utilisation <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	3.44	2.90	1.82	1.08	Availability of facilities was disrupted due to Covid 19 restrictions
Animal Management Health and safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions / Number of animal management prosecutions] x 100	New in 2020	New in 2020	0%	0%	
Food Safety Health and safety <i>Critical and major non-compliance outcome notifications</i>	0.00%	100.00%	86.67%	100.00%	

<p>[Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100</p>					<p>Council was notified in relation to 12 premises and all were followed up</p>
<p>Governance Satisfaction <i>Satisfaction with council decisions</i></p> <p>[Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]</p>	48	55	49	52	
<p>Libraries Participation <i>Active library borrowers in municipality</i></p> <p>[Number of active library borrowers in the last three years / The sum of the population for the last three years] x100</p>	22.30%	23.32%	24.17%	24.99%	
<p>Maternal and Child Health (MCH) Participation <i>Participation in the MCH service</i></p> <p>[Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100</p> <p>Participation <i>Participation in the MCH service by Aboriginal children</i></p> <p>[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</p>	77.87%	73.96%	73.94%	77.63%	Attendance reduced from 17 to 14 persons

<p>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]</p>	47	51	51	51	
<p>Statutory Planning Decision making <i>Council planning decisions upheld at VCAT</i> [Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100</p>	0.00%	0.00%	50.00%	0.00%	No appeals to VCAT were received during the year
<p>Waste Collection Waste diversion <i>Kerbside collection waste diverted from landfill</i> [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100</p>	69.75%	69.41%	70.27%	71.01%	

Definitions

"Aboriginal child" means a child who is an Aboriginal person

"Aboriginal person" has the same meaning as in the Aboriginal Heritage Act 2006

"active library borrower" means a member of a library who has borrowed a book from the library

"annual report" means an annual report prepared by a council under section 98 of the Act

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

"class 2 food premises" means food premises, within the meaning of the *Food Act 1984*, that have been declared as class 2 food premises under section 19C of that Act

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

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

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

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

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

"population" means the resident population estimated by council

Financial Performance Indicators

For the year ended 30 June 2021

Dimension/indicator/measure	Results	Results	Results	Results	Forecasts				Material Variations and Comments
	2018	2019	2020	2021	2022	2023	2024	2025	
Efficiency									
Expenditure level									
<i>Expenses per property assessment</i> [Total expenses / Number of property assessments]	\$3,961.38	\$3,581.75	\$3,568.25	\$3,991.75	\$3,969.22	\$3,970.49	\$4,042.30	\$4,107.81	
Revenue level									
<i>Average rate per property assessment</i> [Total rate revenue (general rates and municipal charges) / Number of property assessments]	New in 2020	New in 2020	\$2,141.75	\$2,226.26	\$2,298.66	\$2,338.11	\$2,378.25	\$2,419.08	
Liquidity									
Working capital									
<i>Current assets compared to current liabilities</i>	281.00%	215.08%	264.74%	216.46%	138.13%	126.02%	120.64%	108.59%	Ratio was affected in 2020/21 by increased liability for unearned income (\$2.3 m), Increased landfill and leave provisions \$(.89 m) increased Creditors (\$1.025m) and reduced debtors (\$.530 m)

[Current assets / Current liabilities] x100 Unrestricted cash											
<i>Unrestricted cash compared to current liabilities</i>	138.10%	91.96%	-14.86%	14.68%	81.09%	74.98%	71.70%	59.07%			Variation is affected by the classification of investments at 30 June whether as Cash and Cash equivalents or Other financial assets, based on maturity. Cash and cash equivalents used in this ratio
[Unrestricted cash / Current liabilities] x100											
Obligations											
Loans and borrowings											
<i>Loans and borrowings compared to rates</i>	3.73%	2.65%	1.86%	1.41%	23.83%	21.49%	19.21%	17.42%			Council has budgeted to borrow \$5 m in 2021/22 to rehabilitate the Violet Town landfill. This will increase borrowings, which are then expected to reduce over coming years
[Interest bearing loans and borrowings / Rate revenue] x100											
<i>Loans and borrowings repayments compared to rates</i>	3.05%	1.17%	0.82%	0.53%	2.70%	2.30%	2.25%	1.77%			Council has budgeted to borrow \$5 m in 2021/22 to rehabilitate the Violet Town landfill. This will increase borrowings, which are then

									expected to reduce over coming years
[Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100									
Indebtedness									
<i>Non-current liabilities compared to own source revenue</i>	30.38%	24.74%	26.79%	25.06%	35.30%	33.01%	30.48%	28.33%	
[Non-current liabilities / Own source revenue] x100									
Asset renewal and upgrade									
<i>Asset renewal and upgrade compared to depreciation</i>	New in 2020	New in 2020	107.16%	128.19%	293.75%	153.11%	119.61%	121.41%	Expenditure on renewal and upgrade increased from \$6.46 m in 2019/20 to \$8.016 m in 2021/22
[Asset renewal and asset upgrade expense / Asset depreciation] x100									
Operating position									
Adjusted underlying result									
<i>Adjusted underlying surplus (or deficit)</i>	-6.33%	1.03%	9.07%	3.32%	-2.18%	-0.87%	-1.27%	-2.03%	This indicator is affected by adjustment in 2020/21 for Non monetary contributions and Capital contributions \$1.376 m (2019/20 nil) . In 2021/22 adjustment is made for unearned income.
[Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100									

Stability Rates concentration <i>Rates compared to adjusted underlying revenue</i>	62.16%	65.73%	63.15%	62.72%	68.08%	68.33%	68.53%	69.11%	
[Rate revenue / Adjusted underlying revenue] x100									
Rates effort <i>Rates compared to property values</i> [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.64%	0.58%	0.56%	0.49%	0.49%	0.50%	0.51%	0.51%	
Retired indicators Service / indicator / measure	Results 2018	Results 2019	Results 2020		Comments				
Animal Management Health and safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	0	0	Retired in 2020	Retired in 2020	This measure was replaced by AM7 from 1 July 2019.				
Efficiency Revenue level <i>Average residential rate per residential property assessment</i> [Residential rate revenue / Number of residential property assessments]	\$1,998.20	\$2,035.00	Retired in 2020	Retired in 2020	\$0.00	\$0.00	\$0.00	\$0.00	This measure was replaced by E4 from 1 July 2019.

Obligations									
Asset renewal									
<i>Asset renewal compared to depreciation</i>	147.87%	147.17%	Retired in 2020	Retired in 2020	0.00%	0.00%	0.00%	0.00%	This measure was replaced by O5 in 1 July 2019.
[Asset renewal expense / Asset depreciation] x100									

Other Information

For the year ended 30 June 2021

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* (as per the transitional provisions of the *Local Government Act 2020*).

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

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

The forecast figures included in the performance statement are those adopted by council in its strategic resource plan on 29 June 2021 and which forms part of the council plan. The strategic resource plan includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General Purpose Financial Statements. The strategic resource plan can be obtained by contacting council.

Certification of the Performance Statement

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



Upul Sathurusinghe CPA

Principal Accounting Officer

Dated: 21 September 2021

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

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

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

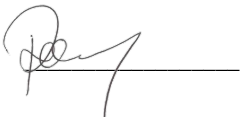
We have been authorised by the council and by the *Local Government (Planning and Reporting) Regulations 2014* to certify this performance statement in its final form.



Chris Raeburn

Councillor

Dated: 21 September 2021



Paul Murray

Councillor

Dated: 21 September 2021



Julie Salomon

Chief Executive Officer

Dated: 21 September 2021

Independent Auditor's Report

To the Councillors of Strathbogie Shire Council

Opinion	<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 2021 • sustainable capacity indicators for the year ended 30 June 2021 • service performance indicators for the year ended 30 June 2021 • financial performance indicators for the year ended 30 June 2021 • other information and • the certification of the performance statement.
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In my opinion, the performance statement presents fairly, in all material respects, the performance of the council for the year ended 30 June 2021 in accordance with the performance reporting requirements of Part 6 of the *Local Government Act 1989*.

Basis for Opinion	<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>
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Councillors' responsibilities for the performance statement	<p>The Councillors are responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the <i>Local Government Act 1989</i> and for such internal control as the Councillors 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>
--	--

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

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

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

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

MELBOURNE
15 October 2021



Sanchu Chummar

as delegate for the Auditor-General of Victoria

Strathbogie Shire Council

Annual Financial Report

For the year ended
30 June 2021

Strathbogie
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Strathbogie 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 : 21 September 2021
Euroa

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

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.



Chris Raeburn
Councillor
Date : 21 September 2021
Euroa



Paul Murray
Councillor
Date : 21 September 2021
Euroa



Julie Salomon
Chief Executive Officer
Date : 21 September 2021
Euroa

Independent Auditor's Report

To the Councillors of Strathogie Shire Council

Opinion	<p>I have audited the financial report of Strathogie Shire Council (the council) which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 30 June 2021 • comprehensive income statement for the year then ended • statement of changes in equity for the year then ended • statement of cash flows for the year then ended • statement of capital works for the year then ended • notes to the financial statements, including significant accounting policies • certification of the financial statements. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2021 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 6 of the <i>Local Government Act 1989</i> and applicable Australian Accounting Standards.</p>
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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>
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Councillors' responsibilities for the financial report	<p>The Councillors of the council are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards 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>
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Auditor's responsibilities for the audit of the financial report

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

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

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

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

MELBOURNE
15 October 2021



Sanchu Chummar

as delegate for the Auditor-General of Victoria

Comprehensive Income Statement For the Year Ended 30 June 2021

	Note	2021 \$	2020 \$
Income			
Rates and charges	3.1	20,085,572	19,824,720
Statutory fees and fines	3.2	661,449	401,657
User fees	3.3	747,079	663,298
Grants - operating	3.4	7,714,366	7,405,568
Grants - capital	3.4	5,785,233	4,174,796
Contributions - monetary	3.5	311,706	355,983
Contributions - Non-monetary	3.5	1,363,611	-
Net gain (or loss) on disposal of property, infrastructure, plant and equipment	3.6	143,869	99,764
Share of net profits (or loss) of associates and joint ventures	6.3	28,141	8,714
Other income	3.7	483,808	474,943
Total income		37,324,834	33,409,443
Expenses			
Employee costs	4.1	12,078,311	10,334,811
Materials and services	4.2	11,812,354	11,318,010
Depreciation	4.3	6,253,090	6,030,978
Amortisation - intangible assets	4.4	64,669	59,845
Amortisation - right of use assets	4.5	236,078	199,732
Bad and doubtful debts	4.6	13,430	50,233
Borrowing costs	4.7	20,556	25,783
Finance costs - leases	4.8	21,744	21,467
Other expenses	4.9	459,546	505,109
Total expenses		30,959,778	28,545,968
Surplus/(deficit) for the year		6,365,056	4,863,475
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation increment/(decrement)	6.2	(3,226,510)	(17,565,870)
Items that may be reclassified to surplus or deficit in future periods			
Total comprehensive result		3,138,546	(12,702,395)

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

Balance Sheet As at 30 June 2021

	Note	2021 \$	2020 \$
Assets			
Current assets			
Cash and cash equivalents	5.1	5,550,069	2,873,672
Trade and other receivables	5.1	2,588,020	3,118,075
Other financial assets	5.1	17,350,000	13,704,764
Non-current assets classified as held for sale	6.1	417,384	690,384
Other assets	5.2	590,030	762,932
Total current assets		26,495,503	21,149,827
Non-current assets			
Trade and other receivables	5.1	43,096	57,513
Other financial assets	5.1	2,032	2,032
Investments in associates, joint arrangements and subsidiaries	6.3	255,287	227,146
Property, infrastructure, plant and equipment	6.2	282,911,031	280,818,278
Right-of-use assets	5.8	636,453	872,530
Intangible assets	5.2	79,167	106,703
Total non-current assets		283,927,066	282,084,203
Total assets		310,422,569	303,234,030
Liabilities			
Current liabilities			
Trade and other payables	5.3	3,179,808	2,154,303
Trust funds and deposits	5.3	500,056	381,474
Unearned income	5.3	3,706,727	1,441,712
Provisions	5.5	4,584,145	3,695,814
Interest-bearing liabilities	5.4	91,000	86,116
Lease liabilities	5.8	178,337	230,029
Total current liabilities		12,240,073	7,989,448
Non-current liabilities			
Trust funds and deposits	5.3	55,166	64,203
Provisions	5.5	4,830,380	4,752,639
Interest-bearing liabilities	5.4	191,425	282,425
Lease liabilities	5.8	474,083	652,421
Total non-current liabilities		5,551,054	5,751,688
Total liabilities		17,791,127	13,741,137
Net assets		292,631,442	289,492,893
Equity			
Accumulated surplus		105,291,524	98,252,685
Reserves	9.1	187,339,918	191,240,208
Total Equity		292,631,442	289,492,893

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

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

2021	Note	Total \$	Accumulated Surplus \$	Revaluation Reserve \$	Other Reserves \$
Balance at beginning of the financial year		289,492,892	98,252,684	190,381,250	858,958
Adjusted Opening balance		289,492,892	98,252,684	190,381,250	858,958
Surplus/(deficit) for the year		6,365,056	6,365,056	-	-
Net asset revaluation increment/(decrement)	6.2	(3,226,510)	-	(3,226,510)	-
Transfers to other reserves	9.1	-	(76,220)	-	76,220
Transfers from other reserves	9.1	-	750,000	-	(750,000)
Balance at end of the financial year		292,631,442	105,291,520	187,154,740	185,178

2020		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
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	-
Balance at end of the financial year		289,492,892	98,252,684	190,381,250	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 2021

	2021	2020
	Inflows/ (Outflows)	Inflows/ (Outflows)
Note	\$	\$
Cash flows from operating activities		
Rates and charges	20,077,132	19,149,820
Statutory fees and fines	661,449	401,657
User fees	775,129	527,310
Grants - operating	7,112,385	9,091,084
Grants - capital	9,396,850	5,595,329
Contributions - monetary	308,524	359,165
Interest received	107,922	179,278
Trust funds and deposits taken	2,030,176	1,703,481
Other receipts	405,025	459,685
Net GST refund/payment	1,779,939	1,781,544
Employee costs	(11,112,240)	(10,209,745)
Materials and services	(12,601,893)	(13,843,090)
Trust funds and deposits repaid	(1,920,631)	(1,985,486)
Other payments	(446,896)	(334,169)
Net cash provided by/(used in) operating activities	<u>16,572,871</u>	<u>12,875,863</u>
Cash flows from investing activities		
Payments for property, infrastructure, plant and equipment	6.2 (10,398,956)	(6,770,973)
Payments for intangible assets	5.2 (b) (37,132)	(31,629)
Proceeds from sale of property, infrastructure, plant and equipment	543,296	262,134
Payments for investments - Other Financial Assets	(3,645,236)	(13,704,764)
Net cash provided by/(used in) investing activities	<u>(13,538,028)</u>	<u>(20,245,232)</u>
Cash flows from financing activities		
Finance costs	(20,556)	(25,783)
Repayment of borrowings	(86,116)	(136,373)
Repayment of lease liabilities	(251,774)	(211,279)
Net cash provided by/(used in) financing activities	<u>(358,446)</u>	<u>(373,435)</u>
Net increase (decrease) in cash and cash equivalents	2,676,397	(7,742,804)
Cash and cash equivalents at the beginning of the financial year	2,873,672	10,616,477
Cash and cash equivalents at the end of the financial year	<u>5,550,069</u>	<u>2,873,672</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 2021**

	2021	2020
	\$	\$
Property		
Buildings	564,676	1,104,510
Total property	564,676	1,104,510
Plant and equipment		
Heritage plant and equipment		
Plant, machinery and equipment	905,373	353,183
Fixtures, fittings and furniture	242,289	223,985
Intangible Assets	37,132	31,629
Total plant and equipment	1,184,794	608,796
Infrastructure		
Roads	5,163,945	3,219,159
Bridges and culverts	299,308	206,434
Footpaths and cycleways	246,431	317,817
Drainage	1,221,609	132,183
Recreational, leisure and community facilities	1,155,029	-
Parks, open space and streetscapes	600,296	1,213,703
Total infrastructure	8,686,618	5,089,297
Total capital works expenditure	10,436,089	6,802,602
Represented by:		
New asset expenditure	1,500,807	340,246
Asset renewal expenditure	4,395,768	4,863,710
Asset expansion expenditure	918,884	-
Asset upgrade expenditure	3,620,630	1,598,646
Total capital works expenditure	10,436,089	6,802,602

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

OVERVIEW

Introduction

The Strathbogie 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, and disclosure has been made of any material changes to comparatives.

(b) Impact of Covid-19

On 16 March 2020 a state of emergency was declared in Victoria due to the global pandemic COVID-19 virus, known as coronavirus. A state of disaster was subsequently declared on 2 August 2020. While the impacts of the pandemic have abated somewhat through the 2020-21 year, Council has noted the following significant impacts on its financial operations:

Council received additional \$756K capital grant from Federal Government under RLCIP for roads constructions. Also received non recurrent capital grants totalling \$1.08 million for various initiatives for economic support. Part of this is an additional 33 parttime staffing positions for Working for Victoria grant funding of \$1.40 million and received over two financial years (2019/20 and 20/21).

Council has refunded \$43K food/health registration fees. Council also applied zero percent rate increase for 20/21 financial year. There are no noticeable impact for asset revaluation due to Covid 19. There was a positive impact to delivery of large capital works due to additional grant fundings and additional staffing from Working for Victoria grant. Customer service and other possible services were moved to online environment. There were no other business disruptions during the year. overall impact to the council's operations during the last year has been immaterial even with the considerable impact to service that comes with having to be closed to the public.

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 2021 \$	Actual 2021 \$	Variance 2021 \$	Variance 2021 %	Ref
Income					
Rates and charges	19,942,000	20,085,572	143,572	1%	1
Statutory fees and fines	494,000	661,449	167,449	34%	2
User fees	602,000	747,079	145,079	24%	3
Grants - operating	8,416,000	7,714,366	(701,634)	-8%	4
Grants - capital	5,214,000	5,785,233	571,233	11%	5
Contributions - monetary	275,000	311,706	36,706	13%	6
Contributions - non- monetary	-	1,363,611	1,363,611	100%	7
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	(839,000)	143,869	982,869	-117%	8
Share of net profits/(losses) of associates and joint ventures	-	28,141	28,141	100%	
Other income	424,000	483,808	59,808	14%	9
Total income	34,528,000	37,324,834	2,796,834	8%	
Expenses					
Employee costs	12,167,000	12,078,311	88,689	1%	
Materials and services	12,581,000	11,812,354	768,646	6%	10
Depreciation	5,835,000	6,253,090	(418,090)	-7%	11
Amortisation - Intangible assets	-	64,669	(64,669)	100%	
Amortisation - Right of use assets	227,000	236,078	(9,078)	-4%	
Bad and doubtful debts	1,000	13,430	(12,430)	-1243%	12
Borrowing costs	20,000	20,556	(556)	-3%	
Finance costs - Leases	26,000	21,744	4,256	16%	
Other expenses	303,000	459,546	(156,546)	-52%	14
Total expenses	31,160,000	30,959,778	200,222	1%	
Surplus/(deficit) for the year	3,368,000	6,365,056	2,997,056	77%	

(i) Explanation of material variations

Income

1	Rates and charges	Increase in rates income due to supplementary rates from new subdivisions.
2	Statutory fees and fines	Favourable variance due to increase in subdivision fees (\$108K), planning application fees (\$36k) and health registration fees (\$27k).
3	User fees	Favourable variance due to increased income from tip fees (\$66k), saleyard fees (\$34k) and lease income (\$33k).
4	Grants - operating	Less than budgeted operating grant is due to part of working for Victoria grant income recorded in 2019/20 (\$752k) and underutilised working for Victoria grant (\$623k) which partly offset with unbudgeted grants; local government outdoor eating & entertainment (\$250k), community connector program (\$124k), business concierge & hospitality support (\$60k), women building surveyors program grant (\$75k), greening Euroa (\$65k), GoFish Nagambie (\$30k) and additional grants receipt for municipal emergency management (\$73k).
5	Grants - capital	Increase in capital grant income is mainly due to receipt of fixing country roads grants (\$1,364k) which was originally budgeted in 2019/20 year. This partly offset by grants not yet received local road and community infrastructure funding grants (\$683k) and drought funding grants (\$200k). The balance amount offset by un-earned income carried forward.
6	Contributions-monetary	More than budgeted due to increased developer contributions (\$19k) and maintenance contribution received (\$18k).
7	Contributions -non-monetary	Greater than budget by \$1,364k due to greater than anticipated Developer Gifted Assets received such as Vickers Road estate (\$790k) and Vineyard estate (\$523k).
8	Gain on disposal of Assets	Gain on sale of assets is mainly due to better price received on disposal of vehicles at secondhand market and better price received from sale of plant and equipments at auctions.
9	Other income	More than budgeted mainly due more than budgeted income protection insurance income (\$95k) which partly offset by decrease in miscellaneous income.

Expenses

10	Materials and services	Materials and services less than budgeted due to savings in assets maintenance expenses (\$277k), savings in external contractor expenses (\$804k), savings in utility expenditure (\$128k) and savings in training and development expense (\$100k). This partly offset by increase in landfill provision (\$538K).
11	Depreciation/Amortisation	Due to increased depreciation expenditure in buildings (\$160k) and infrastructure assets (\$284k).
12	Bad and doubtful debts	Increase in bad and doubtful debts is mainly due to write off of long outstanding unrecoverable debtor balances which include infringement/penalty charges, Health/Food registration fees and hiring income.
14	Other expenses	Due to election expenses (\$111k) and councillor conference and training expenses (\$33k) which were originally budgeted under materials and services.

Capital works

	Budget 2021 \$	Actual 2021 \$	Variance \$	Variance %	Ref
Property					
Buildings	978,000	564,676	(413,324)	-42%	1
Total property	978,000	564,676	(413,324)	-42%	
Plant and equipment					
Plant, machinery and equipment	1,262,000	942,505	(319,495)	-25%	2
Fixtures, fittings and furniture	570,000	242,289	(327,711)	-57%	3
Total plant and equipment	1,832,000	1,184,794	(647,206)	-35%	
Infrastructure					
Roads	6,613,000	5,163,945	(1,449,055)	-22%	4
Bridges	513,000	299,308	(213,692)	-42%	5
Footpaths and cycleways	378,000	246,431	(131,569)	-35%	6
Drainage	1,031,000	1,221,609	190,609	18%	7
Recreational, Leisure & Community Facilities	1,332,000	1,155,029	(176,971)	-13%	8
Parks, open space and streetscapes	2,827,000	600,296	(2,226,704)	-79%	9
Total infrastructure	12,694,000	8,686,618	(4,007,382)	-32%	
Total capital works expenditure	15,504,000	10,436,089	(5,067,911)	-33%	
Represented by:					
New asset expenditure	2,296,000	1,500,807	(795,193)	-35%	
Asset renewal expenditure	9,559,000	4,395,768	(5,163,232)	-54%	
Asset expansion expenditure	2,507,000	918,884	(1,588,116)	-63%	
Asset upgrade expenditure	1,142,000	3,620,630	2,478,630	217%	
Total capital works expenditure	15,504,000	10,436,089	(5,067,911)	-33%	

(i) Explanation of material variations

Ref	Item	Explanation
1	Buildings	Due to projects that were carried forward to 2021/22 year - saleyards sprinkler systems and truck wash (214k), Euroa tennis club -Sewer Design (\$88k) and Euroa civic centre Roof cladding (\$80k).
2	Plant, machinery and equipment	Surplus due to delayed replacement of grader (\$230k) and large loader (\$104k).
3	Fixtures, fittings and furniture	Cinema seating replacement delayed to 21/22 (\$130k) and other IT replacement (\$150k).
4	Roads	Savings in reseal (\$461k), zero class (\$143k), rehabilitation (\$87k), re-sheet (\$63k) and kerb & channel (\$36k) programs. Reclassification of general budget allocation (\$259k). Work in progress projects that need to be carried forward; Creek Junction Road (\$401k) and Harrys Creek/Bonnie Doon Road (\$346k) intersection realignments and Nagambie Industrial Estate Drainage (\$53k). Partly offset by increased expenditure in fixing Country Roads - Mullers Road, Nagambie (\$440k).
5	Bridges	Not proceed with bridges & major culverts program (\$450k) due to tenders received were too high. Partly offset by Harrys Creek Road Major Culvert work (\$236k) part of which originally budgeted under roads.
6	Footpaths and cycleways	Savings in footpath renewal (\$41) and tracks & trails (\$28k) programs. Work in progress project Rockies Pedestrian Footbridge (\$48k) and projects not undertaken due to heritage vegetation overlay Strathbogie township footpaths (\$25k).
7	Drainage	Increased expenditure in Euroa - Augment Castle Creek Levee \$313k which partly offset by savings in drought funding projects (\$118k).
8	Recreational, Leisure & Community Facilities	Work in progress project Strathbogie recreation reserve clubhouse pavilion (\$246k) and Nagambie Recreation Reserve netball court/carpark (\$52k) which partly offset by increased expenditure in Violet town skate park (\$80k) and Violet town market infrastructure (\$31k).
9	Parks, open space and streetscapes	Work in progress projects drought funding (236k), Nagambie foreshore walk (677k), streetscapes renewal (\$599k), Nagambie active space (\$70k), Nagambie splash park (\$43k). Projects not started or not progressed (\$195k) and project management expenses which were allocated among projects (\$400k).

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
	\$	\$	\$	\$	\$
2021					
Community & Planning	3,579,189	(4,817,662)	(1,238,472)	3,044,230	48,304,962
Corporate Leadership	97,646	(3,143,282)	(3,045,636)	-	31,516,559
Corporate Operations	33,641,635	(22,586,026)	11,055,609	10,455,369	226,461,965
Mayor & Councillors	6,363	(412,809)	(406,445)	-	4,139,083
	37,324,834	(30,959,778)	6,365,056	13,499,599	310,422,569

	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

	2021	2020
	\$	\$

Note 3 Funding for the delivery of our services

3.1 Rates and charges

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

The valuation base used to calculate general rates for 2020/21 was \$3.689 million (2019/20 \$3.514 million).

General rates	17,266,867	16,220,930
Municipal charge	-	913,057
Waste management charge	2,818,705	2,689,797
Special rates and charges	-	936
Total rates and charges	20,085,572	19,824,720

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2020, and the valuation will be first applied in the rating year commencing 1 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	119,489	66,113
Planning fees	395,119	217,164
Health registrations	27,463	14,212
Animal registrations	98,088	83,824
Land information certificates	20,762	16,983
Fire Prevention Notice Infringements	528	3,361
Total statutory fees and fines	661,449	401,657

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	190,006	148,373
Nagambie Lakes events	11,910	20,320
Saleyard operations revenue	253,464	231,965
Swimming pools revenue	3,148	10,193
Rent/lease Charges	118,323	93,337
Euroa Cinema	23,687	54,520
Septic tank fees	20,234	14,787
Other user charges and contributions	126,307	89,803
Total user fees	747,079	663,298

User fees by timing of revenue recognition

User fees recognised at a point in time	747,079	663,298
Total user fees	747,079	663,298

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	9,640,626	8,659,624
State funded grants	3,858,973	2,920,740
Total grants received	13,499,599	11,580,364

	2021 \$	2020 \$
(a) Operating Grants		
<i>Recurrent - Commonwealth Government</i>		
Financial Assistance Grants	5,773,874	5,592,672
Senior Citizens Grants	-	2,600
<i>Recurrent - State Government</i>		
Maternal & Child Health	221,404	196,893
Community Safety	18,673	9,763
Youth	76,658	94,167
Pests and Plants Program	60,231	60,231
Municipal Emergency Resource Programme	133,200	60,000
Supported Playgroup	60,638	34,981
Vulnerable Persons Register	18,216	17,947
Boat Ramp Maintenance	170	8,500
School Crossing Supervision	30,205	24,696
Other	25,241	4,960
Total recurrent operating grants	6,418,510	6,107,410
<i>Non-recurrent - Commonwealth Government</i>		
Environmental planning	-	5,000
Tourism & Events	51,100	-
<i>Non-recurrent - State Government</i>		
LGA Small Scale Infrastructure Grant	-	10,395
Economic Development	60,000	-
Greening Euroa	65,350	-
Environment	10,000	-
Tourism & Events	250,000	-
Emergency & Disaster Management	121,006	378,861
Working for Victoria	645,899	751,631
Planning and Business Case	2,500	59,271
Creative Victoria-Youth	-	25,000
Water/Waterways Management	-	28,000
Rural Council Victoria Summit	-	40,000
Other	90,000	-
Total non-recurrent operating grants	1,295,856	1,298,158
Total operating grants	7,714,366	7,405,568
(b) Capital Grants		
<i>Recurrent - Commonwealth Government</i>		
Roads to recovery	2,159,352	2,159,352
Total recurrent capital grants	2,159,352	2,159,352
<i>Non-recurrent - Commonwealth Government</i>		
Drought Funding	900,000	900,000
Infrastructure Funding Grant	756,300	-

	2021	2020
	\$	\$
Non-recurrent - State Government		
Roads and Bridges	1,503,668	886,194
Buildings	99,633	175,000
Recreation	325,000	59,300
Footpaths	-	33,000
Pick My Project	-	9,950
Other Flood Recovery Grants	41,280	18,720
Flood Event 12/2017-Capital *	-	(127,125)
Environment - Capital	-	60,406
Total non-recurrent capital grants	3,625,881	2,015,444
Total capital grants	5,785,233	4,174,796
(c) Unspent grants received on condition that they be spent in a specific manner		
Operating		
Balance at start of year	273,582	30,000
Received during the financial year and remained unspent at balance date	160,800	273,582
Received in prior years and spent during the financial year	(129,210)	(30,000)
Balance at year end	305,172	273,582
Capital		
Balance at start of year	1,164,948	0
Received during the financial year and remained unspent at balance date	3,401,555	1,164,948
Received in prior years and spent during the financial year	(1,164,948)	0
Balance at year end	3,401,555	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.

* 2020 - 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	311,706	355,983
Non-monetary	1,363,611	-
Total contributions	1,675,317	355,983

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

Roads	330,009	-
Kerb & Channel	102,560	-
Footpath	278,450	-
Drainage	601,892	-
Land under roads	50,700	-
Total non-monetary contributions	1,363,611	-

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	543,296	262,134
Written down value of assets disposed	(399,427)	(162,370)
Total net gain/(loss) on disposal of property, infrastructure, plant and equipment	143,869	99,764

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

	2021	2020
	\$	\$
3.7 Other income		
Interest	105,520	182,861
Interest on rates	122,904	101,606
Diesel rebate	65,917	64,318
Insurance recoveries	95,576	22,586
Other	93,891	103,572
Total other income	483,808	474,943

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	10,592,117	8,981,109
WorkCover	190,742	173,593
Superannuation	954,747	828,063
Fringe benefits tax	84,695	134,925
Other	256,010	217,121
Total employee costs	12,078,311	10,334,811

(b) Superannuation

Council made contributions to the following funds:

Defined benefit fund

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	59,242	61,144
Employer contributions - other funds	-	-
	59,242	61,144
Employer contributions payable at reporting date.	-	-

Accumulation funds

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	428,532	422,704
Employer contributions - other funds	449,024	326,921
	877,556	749,625
Employer contributions payable at reporting date.	17,949	17,294

Refer to note 9.3 for further information relating to Council's superannuation obligations.

4.2 Materials and services

Building maintenance	648,836	441,156
General maintenance *	4,205,400	4,108,108
Utilities	297,979	267,025
Office administration	1,555,734	1,493,265
Information technology	760,836	687,652
Insurance	374,095	326,537
Consultants	1,055,114	1,235,190
Legal fees	140,411	134,774
Emergency Expense	21,389	434,399
Waste Management	2,752,560	2,189,904
Total materials and services	11,812,354	11,318,010

* General maintenance include, but not limited to, maintenance of road canopy and trees (\$919k), maintenance of infrastructure (\$801k), materials (\$365k), professional service fees (332k), and plant expenses.

	2021	2020
	\$	\$
4.3 Depreciation		
Property	1,030,464	985,866
Plant and equipment	444,487	442,201
Furniture and Equipment	187,672	161,768
Infrastructure	4,590,467	4,441,143
Total depreciation	6,253,090	6,030,978

Refer to note 5.2(c), 5.8 and 6.2 for a more detailed breakdown of depreciation and amortisation charges and accounting policy.

4.4 Amortisation - Intangible assets

Software	64,669	59,845
Total Amortisation - Intangible assets	64,669	59,845

4.5 Amortisation - Right of use assets

Property	9,206	9,206
Plant and equipment	226,872	190,526
Total Amortisation - Right of use assets	236,078	199,732

4.6 Bad and doubtful debts

Rates debtors	-	429
Other debtors	13,430	49,804
Total bad and doubtful debts	13,430	50,233

Movement in provisions for doubtful debts

Balance at the beginning of the year	35,831	7,025
New provisions recognised during the year	7,436	28,806
Amounts already provided for and written off as uncollectible	(31,710)	-
Amounts provided for but recovered during the year	(1,984)	-
Balance at end of year	9,573	35,831

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	20,556	25,783
Total borrowing costs	20,556	25,783

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	21,744	21,467
Total finance costs	21,744	21,467

	2021	2020
	\$	\$
4.9 Other expenses		
Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	41,600	48,400
Auditors' remuneration - Internal	57,743	50,890
Councillors' allowances	193,618	196,479
Other Councillor expenses	43,388	11,724
WDV of Infrastructure Assets Renewed	12,650	170,940
Election Expenses	110,547	26,676
Total other expenses	459,546	505,109

Note 5 Our financial position

5.1 Financial assets

(a) Cash and cash equivalents

Cash on hand	1,293	1,827
Cash at bank	2,948,776	1,621,845
Term deposits	2,600,000	1,250,000
Total cash and cash equivalents	5,550,069	2,873,672

(b) Other financial assets

Share in MAV Purchasing Scheme	2,032	2,032
Term deposits - current	17,350,000	13,704,764
Total other financial assets	17,352,032	13,706,796
Total financial assets	22,902,101	16,580,468

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)	555,222	445,677
Total restricted funds	555,222	445,677
Total unrestricted cash and cash equivalents	4,994,847	2,427,995

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	3,198,000	3,498,000
- Open space reserve	185,178	108,958
- Caravan Park (operating and capital expense)	112,391	73,289
Total funds subject to intended allocations	3,495,569	3,680,247

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

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

	2021	2020
	\$	\$
(c) Trade and other receivables		
Current		
Rates debtors	2,157,164	2,134,307
Special rate assessment	11,886	9,184
Net GST Receivable	142,794	212,575
Other debtors	285,749	797,840
Provision for doubtful debts - other debtors	(9,573)	(35,831)
Total current trade and other receivables	<u>2,588,020</u>	<u>3,118,075</u>
Non-current		
<i>Statutory receivables</i>		
Special rate scheme	43,096	57,513
Total non-current trade and other receivables	<u>43,096</u>	<u>57,513</u>
Total trade and other receivables	<u>2,631,116</u>	<u>3,175,588</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)	23,618	504,879
Past due by up to 30 days	72,204	2,454
Past due between 31 and 180 days	46,350	163,932
Past due between 181 and 365 days	128,910	43,255
Past due by more than 1 year	14,667	83,320
Total trade and other receivables	<u>285,749</u>	<u>797,840</u>

5.2 Non-financial assets	2021	2020
(a) Other assets	\$	\$
Prepayments	407,803	255,819
Accrued income	172,897	501,824
Inventories	9,330	5,289
Total other assets	590,030	762,932
(b) Intangible assets		
Software	79,167	106,703
Total intangible assets	79,167	106,703
	Software	Total
Gross carrying amount		
Balance at 1 July 2020	920,048	920,048
Other additions	37,132	37,132
Balance at 1 July 2021	957,180	957,180
Accumulated amortisation and impairment		
Balance at 1 July 2020	813,344	813,344
Amortisation expense	64,669	64,669
Balance at 1 July 2021	878,013	878,013
Net book value at 30 June 2020	106,704	106,704
Net book value at 30 June 2021	79,167	79,167

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

(a) Trade and other payables

Trade payables	2,642,774	1,646,384
Accrued expenses	537,034	507,919
Total trade and other payables	3,179,808	2,154,303

(b) Trust funds and deposits

Current

Fire services levy	67,292	114,670
Retention amounts	185,683	133,432
Other refundable deposits	247,081	133,372
Total Current trust funds and deposits	500,056	381,474

Non-current

Trust funds bequested	55,166	64,203
Total Non-Current trust funds and deposits	55,166	64,203

Total trust funds and deposits

555,222	445,677
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(c) Unearned income

Grants received in advance - operating	305,172	273,582
Grants received in advance - capital	3,401,555	1,164,948
Other	-	3,182
Total unearned income	3,706,727	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 <<monthly>> 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	2021	2020
	\$	\$
Current		
Borrowings - secured	91,000	86,116
	<u>91,000</u>	<u>86,116</u>
Non-current		
Borrowings - secured	191,425	282,425
	<u>191,425</u>	<u>282,425</u>
Total	<u>282,425</u>	<u>368,541</u>

Borrowings are secured by a registered charge over the council rates on the Personal Property Security Register.

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

Not later than one year	91,000	86,116
Later than one year and not later than five years	191,425	282,425
Later than five years	-	-
	<u>282,425</u>	<u>368,541</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
	\$	\$	\$
2021			
Balance at beginning of the financial year	2,850,990	5,597,463	8,448,453
Additional provisions	1,248,695	-	1,248,695
Amounts used	(756,028)	-	(756,028)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	(64,630)	538,034	473,404
Balance at the end of the financial year	<u>3,279,027</u>	<u>6,135,497</u>	<u>9,414,524</u>
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>

	2021	2020
	\$	\$
(a) Employee provisions		
Current provisions expected to be wholly settled within 12		
Annual leave	745,568	415,968
Long service leave	203,181	34,103
Other	31,444	31,444
	980,193	481,515
Current provisions expected to be wholly settled after 12		
Annual leave	571,070	578,246
Long service leave	1,410,446	1,551,652
	1,981,516	2,129,898
Total current employee provisions	2,961,709	2,611,413
Non-current		
Long service leave	317,318	239,577
Total non-current employee provisions	317,318	239,577
Aggregate carrying amount of employee provisions:		
Current	2,961,709	2,611,413
Non-current	317,318	239,577
Total aggregate carrying amount of employee provisions	3,279,027	2,850,990

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.

	2021	2020
	%	%
Key assumptions:		
- discount rate	0.88%	0.87%
- index rate	1.70%	1.60%
(b) Landfill restoration	\$	\$
Current	1,622,436	1,084,402
Non-current	4,513,062	4,513,062
	6,135,498	5,597,464

Council is obligated to restore [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.

	2021	2020
	%	%
Key assumptions:		
- discount rate	0.88%	0.87%
- index rate	1.90%	1.25%

5.6 Financing arrangements

The Council has the following funding arrangements in place as at 30th June 2021.

Bank overdraft	1,145,000	2,290,000
Loan facilities	282,424	368,541
Credit card facilities	100,000	100,000
Total facilities	1,527,424	2,758,541
Used facilities	(290,214)	(376,363)
Unused facilities	1,237,210	2,382,178

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
	\$	\$	\$	\$	\$
2021					
Operating					
Open space management	20,381	-	-	-	20,381
Governance	393,800	250,320	74,250	-	718,370
Human Resources	15,172	-	-	-	15,172
Emergency management	53,228	-	-	-	53,228
Finance	49,142	-	-	-	49,142
Environment & Waste	47,457	47,457	47,457	-	142,371
Total	579,180	297,777	121,707	-	998,664
Capital					
Roads	1,890,621	-	-	-	1,890,621
Total	1,890,621	-	-	-	1,890,621
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					
Total	-	-	-	-	-

5.8 Leases

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

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

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

As a lessee, Council recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted 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
Balance at 1 July 2020	27,616	844,914	872,530
Additions	-	-	-
Amortisation charge	(9,206)	(226,871)	(236,077)
Balance at 30 June 2021	18,410	618,043	636,453

Lease Liabilities

	2021	2020
	\$	\$
Maturity analysis - contractual undiscounted cash flows		
Less than one year	194,393	250,791
One to five years	492,559	690,556
More than five years	-	-
Total undiscounted lease liabilities as at 30 June:	686,952	941,347

Lease liabilities included in the Balance Sheet at 30 June:

Current	178,337	230,029
Non-current	474,083	652,421
Total lease liabilities	652,420	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.

	2021	2020
	\$	\$
Expenses relating to:		
Short-term leases	16,490	16,564
Leases of low value assets	-	-
Total	16,490	16,564
Variable lease payments (not included in measurement of lease liabilities)	-	-

Note 6 Assets we manage

6.1 Non current assets classified as held for sale

	2021	2020
	\$	\$
Cost of acquisition	417,384	690,384
Total non current assets classified as held for sale	417,384	690,384

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 2020	Additions	Contributions	Revaluation	Depreciation	Disposal	Write-off	Transfers/ Reclassification	At Fair Value 30 June 2021
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Property	62,053,057	1,518,292	50,700	(3,568,236)	(1,030,463)	-	-	66,839	59,090,189
Plant and equipment	4,553,083	1,147,662	-	-	(632,159)	(126,427)	(892)	-	4,941,267
Infrastructure	213,027,957	4,226,006	1,312,911	341,726	(4,590,467)	(12,650)	-	402,341	214,707,824
Work in progress	1,184,182	3,507,016	-	-	-	-	(50,266)	(469,180)	4,171,752
Total	280,818,278	10,398,976	1,363,611	(3,226,510)	(6,253,089)	(139,077)	(51,158)	-	282,911,031

Summary of Work in Progress

	Opening WIP	Additions	Write-off	Transfers/ Reclassification	Closing WIP
	\$	\$	\$	\$	\$
Property	267,896	48,409	(41,366)	(211,060)	63,879
Plant and equipment	-	-	-	-	-
Infrastructure	916,286	3,458,607	(8,900)	(258,120)	4,107,873
Total	1,184,182	3,507,016	(50,266)	(469,180)	4,171,752

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

(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 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 1 July 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
Movements in fair value										
Additions	-	-	-	-	1,518,292	-	1,518,292	-	48,409	1,566,701
Contributions	-	-	50,700	50,700	-	-	-	-	-	50,700
Reclassification	-	-	-	-	-	-	-	-	(17,755)	(17,755)
Revaluation	(2,306,459)	(1,146,777)	-	(3,453,236)	-	-	-	-	-	(3,453,236)
Disposal	-	-	-	-	-	-	-	-	-	-
Write-off	-	-	-	-	-	-	-	-	(41,366)	(41,366)
Prior year revaluation adjustment	-	-	-	-	(715,000)	-	(715,000)	-	-	(715,000)
Transfers	-	-	-	-	193,305	-	193,305	-	(193,305)	-
	(2,306,459)	(1,146,777)	50,700	(3,402,536)	996,597	-	996,597	-	(204,017)	(2,609,956)
Movements in accumulated depreciation										
Depreciation and amortisation	-	-	-	-	(1,030,463)	-	(1,030,463)	-	-	(1,030,463)
Accumulated depreciation of disposals	-	-	-	-	-	-	-	-	-	-
Prior year revaluation adjustment	-	-	-	-	600,000	-	600,000	-	-	600,000
Transfers	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	(430,463)	-	(430,463)	-	-	(430,463)
At fair value 30 June 2021	23,865,948	4,715,000	264,765	28,845,713	61,869,047	3,305,676	65,174,723	2,298,900	63,879	96,383,216
Accumulated depreciation at 30 June 2021	-	-	-	-	(36,136,003)	(1,093,144)	(37,229,148)	-	-	(37,229,148)
	23,865,948	4,715,000	264,765	28,845,713	25,733,044	2,212,532	27,945,576	2,298,900	63,879	59,154,068

(b) Plant and Equipment

	Plant machinery and equipment	Fixtures fittings and furniture	Cultural and heritage assets - Arts & Monuments	Total plant and equipment
	\$	\$	\$	\$
At fair value 1 July 2020	4,844,549	3,843,365	2,146,950	10,834,864
Accumulated depreciation at 1 July 2020	(3,149,116)	(3,132,665)	-	(6,281,781)
	1,695,434	710,699	2,146,950	4,553,083
Movements in fair value				
Additions	942,505	205,157	-	1,147,662
Contributions	-	-	-	-
Revaluation	-	-	-	-
Disposal	(778,781)	-	-	(778,781)
Write-off	(892)	-	-	(892)
Transfer	888,419	(888,419)	-	-
	1,051,251	(683,262)	-	367,989
Movements in accumulated depreciation				
Depreciation and amortisation	(444,487)	(187,672)	-	(632,159)
Accumulated depreciation of disposals	652,353	-	-	652,353
Transfer	(813,344)	813,344	-	-
	(605,478)	625,672	-	20,194
At fair value 30 June 2021	5,895,800	3,160,103	2,146,950	11,202,853
Accumulated depreciation at 30 June 2021	(3,754,593)	(2,506,993)	-	(6,261,586)
	2,141,207	653,109	2,146,950	4,941,267

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

(c) Infrastructure

	Roads	Bridges	Footpaths and cycleways	Drainage	Kerb and channel	Parks open spaces and streetscapes	Cultural and heritage assets	Work In Progress	Total Infrastructure
	\$	\$	\$	\$	\$	\$	\$	\$	\$
At fair value 1 July 2020	195,330,942	62,743,426	4,906,219	16,378,089	6,597,907	22,012,886	2,288,263	916,286	311,174,020
Accumulated depreciation at 1 July 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	43,476,085	3,460,735	11,944,983	3,959,115	10,595,099	2,288,263	916,286	214,070,709
Movements in fair value									
Additions	1,951,242	930,302	224,197	827,281	64,286	228,698	-	3,458,607	7,684,613
Contributions	330,009	-	278,450	601,892	102,560	-	-	-	1,312,911
Reclassification	-	-	-	-	-	-	-	17,755	17,755
Revaluation	-	-	-	-	-	(1,368,419)	-	-	(1,368,419)
Disposal	-	(79,634)	-	-	-	-	-	-	(79,634)
Write-off	-	-	-	-	-	-	-	(8,900)	(8,900)
Transfers	9,541	103,288	19,081	114,978	-	28,988	-	(275,875)	-
	2,290,792	953,956	521,728	1,544,151	166,846	(1,110,733)	-	3,191,587	7,558,326
Movements in accumulated depreciation									
Depreciation and amortisation	(3,049,218)	(645,696)	(108,338)	(158,397)	(113,109)	(515,709)	-	-	(4,590,467)
Accumulated depreciation of disposals	-	66,984	-	-	-	-	-	-	66,984
Revaluation	-	-	-	-	-	1,710,145	-	-	1,710,145
Transfers	-	-	-	-	-	-	-	-	-
	(3,049,218)	(578,712)	(108,338)	(158,397)	(113,109)	1,194,436	-	-	(2,813,338)
At fair value 30 June 2021	197,621,734	63,697,382	5,427,948	17,922,240	6,764,753	20,902,153	2,288,263	4,107,873	318,732,346
Accumulated depreciation at 30 June 2021	(60,950,019)	(19,846,053)	(1,553,822)	(4,591,504)	(2,751,901)	(10,223,351)	-	-	(99,916,649)
	136,671,716	43,851,329	3,874,126	13,330,736	4,012,852	10,678,802	2,288,263	4,107,873	218,815,697

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 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

Land under roads

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 were undertaken by a qualified independent valuer APV Valuers & Assets Management in June 2021. The valuation of land is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Depending upon the nature of the specific assets the valuation approach has included the adoption of a singular or multiple techniques; Market approach or Cost approach. 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.

Land and building asset values disclosed in the financial statements are not expected to be materially impacted by COVID-19 as at 30 June 2021. A formal revaluation was undertaken for buildings and structures in June 2020 and land in June 2021.

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

	Level 1	Level2	Level 3	Date of Valuation
Land	-	4,715,000	-	Jun-21
Specialised land	-	-	23,865,948	Jun-21
Land under roads	-	-	264,765	Jun-18
Heritage Buildings	-	-	2,298,900	Jun-20
Buildings & site improvements	-	2,212,532	25,733,044	Jun-20
Total	-	6,927,532	52,162,657	

Valuation of infrastructure

The valuation is at fair value as at 30 June 2020 plus all 2020/21 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 2020 was made by Uwe Paffrath, Certified Municipal Engineer.

Parks, open space and streetscapes were assessed as part of the 2020-2021 Open Spaces condition assessment contract by external Contractors Morphum Environmental (Bruce Stephens Level 3 Playground Assessor). Replacement unit rates have been applied to the asset condition to arrive at revaluation figure as at 30th June and reviewed by Uwe Paffrath, Certified Municipal Engineer.

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

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 2021 are as follows:

	Level 1	Level2	Level 3	Date of Valuation
Roads	-	-	136,671,716	Jun-19
Bridges	-	-	43,851,329	Jun-19
Footpaths and cycleways	-	-	3,874,126	Jun-19
Drainage	-	-	13,330,736	Jun-19
Kerb and channel	-	-	4,012,852	Jun-19
Parks, open space and streetscapes	-	-	10,678,802	Jun-21
Total	-	-	212,419,561	

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 \$700 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.

	2021	2020
Reconciliation of specialised land	\$	\$
Parks and reserves	17,220,948	19,287,996
Waste management	1,514,000	937,303
Civic centres	2,441,000	2,448,870
Council depts	1,100,000	673,883
Caravan parks	950,000	2,086,281
Pre schools	390,000	399,599
Saleyards	250,000	338,475
Total specialised land	23,865,948	26,172,407

	2021	2020
	\$	\$
6.3 Investments in associates, joint arrangements and subsidiaries		
(a) Investments in associates		
- Goulburn Valley Regional Library Corporation	255,287	227,146
Goulburn Valley Regional Library Corporation		
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 9.89% (2019/20 9.86%) 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 Corporation	255,287	227,146
Council's share of accumulated surplus/(deficit)		
Council's share of accumulated surplus/(deficit) at start of year	227,146	218,432
Reported surplus/(deficit) for year	28,141	8,714
Council's share of accumulated surplus/(deficit) at end of year	255,287	227,146
Movement in carrying value of specific investment		
Carrying value of investment at start of year	227,146	218,432
Share of surplus/(deficit) for year	28,141	8,714
Share of asset revaluation	-	-
Distributions received	-	-
Carrying value of investment at end of year	255,287	227,146

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
Goram 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

Note 7 People and relationships	2021	2020
	No.	No.
7.1 Council and key management remuneration		
(a) Related Parties		
<i>Parent entity</i>		
Strathbogie Shire Council is the parent entity.		
<i>Subsidiaries and Associates</i>		
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 Chris Raeburn (from 1/7/2020 to 23/10/2020, and from 17/11/2020)		
Cr Melanie Likos (from 17/11/2020)		
Cr Kristy Hourigan (from 17/11/2020)		
Cr Laura Binks (from 17/11/2020)		
Cr Paul Murray (from 17/11/2020)		
Cr Reg Dickinson (from 17/11/2020)		
Cr Sally Hayes-Burke (from 17/11/2020)		
Amanda McClaren (from 1/7/2020 to 23/10/2020)		
John Mason (from 1/7/2020 to 23/10/2020)		
Malcolm Little (from 1/7/2020 to 23/10/2020)		
Alistair Thomson (from 1/7/2020 to 23/10/2020)		
Graeme (Mick) Williams (from 1/7/2020 to 23/10/2020)		
Robert 'Bob' Gardner (from 1/7/2020 to 23/10/2020)		
Chief Executive Officer		
Director - Corporate Operations		
Director - Community & Planning *		
Executive Manager People & Culture		
Executive Manager Governance & Customer Service		
Executive Manager Communications and Engagement		
Total Number of Councillors	13	9
Total of Chief Executive Officer and other Key Management Personnel	6	8
Total Number of Key Management Personnel*	19	17

*Director - Community & Planning role was filled by two individuals and an acting officer during the year.

(c) Remuneration of Key Management Personnel	2021	2020
	\$	\$
Total remuneration of key management personnel was as follows:		
Short-term benefits	1,305,834	1,071,634
Long-term benefits	12,459	92,910
Post employment benefits	124,606	68,187
Termination benefits	15,720	-
Total	1,458,619	1,232,731

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

	2021	2020
	No.	No.
\$1 - \$9,999	5	3
\$10,000 - \$19,999	6	1
\$20,000 - \$29,999	1	5
\$30,000 - \$39,999	1	1
\$50,000 - \$59,999	1	-
\$60,000 - \$69,999	-	1
\$80,000 - \$89,999	-	1
\$100,000 - \$109,999	1	2
\$110,000 - \$119,999	1	-
\$170,000 - \$179,999	2	-
\$180,000 - \$189,999	1	1
\$200,000 - \$209,999	1	-
\$210,000 - \$219,999	-	1
\$260,000 - \$269,999	1	-
\$280,000 - \$289,999	-	1
Total*	21	17

*Director - Community & Planning role was filled by two individuals and an acting officer during the year.

(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:

Income Range:	2021 No.	2020 No.
\$150,000 - \$159,999	2	-
\$160,000 - \$169,999	1	-
\$170,000 - \$179,999	-	3
	3	3

Total Remuneration for the reporting year for Senior Officers included above, amounted to:	476,101	527,879
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7.2 Related party disclosure

(a) Transactions with related parties

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

Other Related Party Expenses **	12,852	47,940
Euroa Caravan Park - Operating and Capital Expenses *	52,134	-
Euroa Caravan Park - Lease Income *	68,629	-

(b) Outstanding balances with related parties

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties

Euroa Caravan Park - Sundry Debtors (Lease) *	96,672	-
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(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:

Euroa Caravan Park - Commitments to related parties - Amount allocated for specific purposes *	112,391	-
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* On 26 June 2013 Council entered into a lease agreement with a tenant for 21 years for Euroa Caravan park and subsequently the lease agreement was transferred to the new tenant Lilly Ann Pty Ltd on 27 February 2017. Councillor Kristy Hourigan is a director of Lilly Ann Pty Ltd and Kristy Hourigan became a Councillor from 17/11/2020. There has been no change to the terms and conditions of the lease agreement during the year.

**Related to transactions with related parties to former Councillor Mick Williams (\$3,300) and Councillor Sally Hayes-Burke (\$9,552).

Note 8 Managing uncertainties

8.1 Contingent assets and liabilities

(a) Contingent liabilities

Contingent assets and contingent liabilities are not recognised in the Balance Sheet, but are disclosed and if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable, respectively.

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 2020/21 year (2019/20 \$0). There were no contributions outstanding and no loans issued from or to the above schemes as at 30 June 2021. The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2022 are \$0.

Landfill

Council do not have operational landfill. However council will have to carry out site rehabilitation works at Violet Town old landfill in the future. At balance date Council is unable to accurately assess the financial implications of such works. Contractor has been appointed to estimate the cost of such works. Currently council has a budget of \$5 million for the future 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

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

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

Council was a participant of the MAV WorkCare Scheme.

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

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

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

(b) Guarantees for loans to other entities

Council does not have any financial guarantees.

(c) Bank Guarantees

Council carry outstanding bank guarantees of \$21,653 for development projects as at 30th June 2021. These bank guarantees will be cancelled upon satisfactory completion of projects.

8.2 Change in accounting standards

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

8.3 Financial instruments

(a) Objectives and policies

The Council's principal financial instruments comprise cash assets, term deposits, receivables (excluding statutory receivables), 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 0.33%.

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

Councillor Melanie Likos (Deputy Mayor) resigned as Councillor for the Lake Nagambie Ward on 17 August 2021. Under the Local Government Act 2020, a vacancy in the Lake Nagambie Ward now exists. A countback of votes will be undertaken for Lake Nagambie Ward and will be carried out by the Victorian Electoral Commission in accordance with Division 8 of the Act to appoint a new Councillor.

On 15 July 2021 the Victorian State Government in response to COVID-19 imposed stage 5 restrictions on Victoria from Friday 16 July 2021. No adjustments to balances are required as at 30 June 2021.

All receivables and payables balances along with actual impacts on revenue and expenses and asset values are not expected to be further impacted by these events.

Disclosures regarding COVID-19 have been made in the relevant notes to the statements.

Note 9 Other matters

9.1 Reserves

	Balance at beginning of reporting period \$	Increment (decrement) \$	Balance at end of reporting period \$
(a) Asset revaluation reserves			
2021			
Property			
Land and land improvements	27,268,862	(3,453,236)	23,815,626
Buildings	27,073,316	(115,000)	26,958,316
	54,342,178	(3,568,236)	50,773,942
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	341,726	6,786,361
Kerb and Channel	2,954,641		2,954,641
Other infrastructure	17,093	-	17,093
	134,497,872	341,726	134,839,598
Total asset revaluation reserves	190,381,250	(3,226,510)	187,154,740
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

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				
2021				
Bridge replacement reserve	750,000	-	(750,000)	-
Open space reserve	108,958	76,220	-	185,178
Total Other reserves	858,958	76,220	(750,000)	185,178
2020				
Bridge replacement reserve	750,000	-	-	750,000
Open space reserve	108,958	-	-	108,958
Total Other reserves	858,958	-	-	858,958

	2021	2020
	\$	\$
9.2 Reconciliation of cash flows from operating activities to surplus/(deficit)		
Surplus/(deficit) for the year	6,365,056	4,863,476
Depreciation/amortisation	6,553,837	6,290,556
Profit/(loss) on disposal of property, infrastructure, plant and equipment	(143,869)	(99,764)
Written down value of infrastructure assets replaced	12,650	170,940
Contributions - Non-monetary assets	(1,363,611)	-
Borrowing costs/Finance Cost	42,300	47,250
Share of net profits of associates	(28,141)	(8,714)
Other	51,140	67,490
Change in assets and liabilities:		
(Increase)/decrease in trade and other receivables	544,472	440,555
Trust funds and other deposits received (repaid)	109,545	(304,013)
(Increase)/decrease in prepayments	(151,984)	(16,713)
Increase/(decrease) in accrued income	328,927	784,221
Increase/(decrease) in trade and other payables	1,025,505	(934,717)
(Decrease)/increase in other liabilities	2,265,015	1,441,712
(Increase)/decrease in inventories	(4,041)	8,519
Increase/(decrease) in provisions	966,071	125,065
Net cash provided by/(used in) operating activities	16,572,871	12,875,863

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

Council makes both employer and employee contributions to The Fund's accumulation category, Vision MySuper/Vision Super Saver, on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2021, 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 Strathbogie Shire Council in the Fund cannot be measured as a percentage compared with other participating employers. Therefore, the Fund Actuary is unable to allocate benefit liabilities, assets and costs between employers for the purposes of AASB 119 Employee Benefits.

Funding arrangements

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

A triennial actuarial review for the Defined Benefit category as at 30 June 2020 was conducted and completed by the due date of 31 December 2020. The vested benefit index (VBI) of the Defined Benefit category of which Council is a contributing employer was 104.6%. The financial assumptions used to calculate the VBI were:

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

As at 30 June 2021, an interim actuarial investigation is underway as the Fund provides lifetime pensions in the Defined Benefit category. Vision Super has advised that the estimated VBI at 30th June 2021 was 109.7%.

The VBI is used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2020 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 2020 triennial actuarial investigation conducted by the Fund Actuary, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2021, this rate was 9.5% of members' salaries (9.5% in 2019/2020). This rate is expected to increase in line with any increases in the SG contribution rate and was reviewed as part of the 30 June 2020 triennial valuation.

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

Funding calls

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

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

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

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

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

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

The 2020 triennial actuarial investigation surplus amounts

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

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

	2020 (Triennial) \$m	2019 (Interim) \$m
- A VBI Surplus	100.0	151.3
- A total service liability surplus	200.0	233.4
- A discounted accrued benefits surplus	217.8	256.7

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

The total service liability surplus means that the current value of the assets in the Fund's Defined Benefit category plus expected future contributions exceeds the value of expected future benefits and expenses as at 30 June 2020.

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

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

The 2021 interim actuarial investigation

An interim actuarial investigation is being conducted for the Fund's position as at 30 June 2021 as the Fund provides lifetime pensions in the Defined Benefit category. It is anticipated that this actuarial investigation will be completed by October 2021.

Superannuation contributions

Contributions by Council (excluding any unfunded liability payments) to the above superannuation plans for the financial year ended 30 June 2021 are detailed below:

Scheme	Type of Scheme	Rate	2021 \$	2020 \$
Vision super	Defined benefit	9.50%	59,242	61,144
Vision super	Accumulation fund	9.50%	428,532	422,704
Other funds	Accumulation fund	9.50%	452,098	326,921

Council hasn't paid any unfunded liability payments to Vision Super in 2019/20 or 2020/21. Council does not expect to pay to the Defined Benefit category of Vision Super for the year ending 30 June 2022.

10 Change in accounting policy

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

Council has adopted AASB 1059 Service Concession Arrangements: Grantors, from 1 July 2020. This has resulted in no changes in accounting policies and adjustments to any amounts recognised in the financial statements. Council does not consider it has any assets which are subject to Service Concession arrangements.

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

Council has adopted AASB 2018-7 Amendments to Australian Accounting Standards - Definition of Material, from 1 July 2020. All information has been disclosed where material in nature, amount and impact to ensure primary users of the general purpose financial statements are informed and can make decisions on the basis of the information disclosed regarding the entity.

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

Council has adopted AASB 2019-1 Amendments to Australian Accounting Standards - References to the Conceptual Framework from 1 July 2020. These financial statements present fairly the financial position, financial performance and cash flows of Council. There is a fair presentation of the effect of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the conceptual Framework for financial reporting.

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