

TOWONG SHIRE COUNCIL **ANNUAL REPORT**

2020 - 2021



Front cover image: Trestle bridge on the High Country Rail Trail – Darbyshire.

The High Country Rail Trail hugs the shoreline of Lake Hume from Wodonga to Old Tallangatta and then continues to Corryong. The old railway line was built in 1887 and was used to transport material for the Snowy Mountain Scheme. The last train headed out along this track in 1978.

Leaving the foreshore of Lake Hume the rail trail gently climbs through some of the best grazing country in North East Victoria and around three spectacular double storied trestle bridges including this one in Darbyshire.

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Contact Information

Tallangatta Customer Service Centre

32 Towong Street
Tallangatta VIC 3700

Corryong Customer Service Centre

76 Hanson Street
Corryong VIC 3707

Phone: 1300 365 222 (Mon-Fri 8.30am-5pm)

Email: info@towong.vic.gov.au

Post: PO Box 55, Tallangatta VIC 3700

Introduction

Welcome

Council is committed to transparent reporting and accountability to the community. This Annual Report provides a summary of Council's operations and performance for 2020/21, including a summary of financial performance as well as progress against the strategic objectives set out in the Council Plan 2017-2021:

1. Organisational improvement
2. Community wellbeing
3. Asset management
4. Land-use planning
5. Environmental sustainability
6. Economic and tourism development.

This report also contains a snapshot of significant events, achievements and changes that occurred throughout the year together with audited financial statements, performance indicators, and other information as prescribed by the *Local Government Act 2020* and the *Local Government (Planning and Reporting) Regulations 2020*.

Towong Shire Council acknowledges with great appreciation the support of the Australian Government and the Victorian Government.



Australian Government



About Towong Shire



Towong Shire, in far North East Victoria, enjoys some of Australia's most pristine environments. Our unique wilderness areas, lakes, rivers and streams create diverse landscapes that are enjoyed by around 6,046* residents and many more visitors across an area of 6,635 square kilometres.

Our municipality includes many diverse townships and localities including Bellbridge, Bullioh, Berringama, Bethanga, Biggara, Burrowye Corryong, Cudgewa, Dartmouth, Eskdale, Granya, Guys Forest, Koetong, Lucyvale, Mitta Mitta, Mt Alfred, Nariel, Old Tallangatta, Shelley, Talgarno, Tallandoon, Tallangatta, Tallangatta Valley, Thologolong, Tintaldra, Towong and Walwa.

The economy of the region revolves around a rich agricultural sector, tourism and timber production and processing. Approximately two-thirds of businesses in the Shire are in the agricultural and forestry industries.

*2016 Census

Facts, Statistics and Characteristics

Population (2016 census)	6,046
Area ¹	6,675 km
Property assessments	4,516
Roads and transport	
Council roads	1,183 km
Arterial roads	483 km
Number of registered vehicles ¹	7,342
People who live near public transport ²	5.3%
Economy	
Businesses ¹	925
Employment participation rate ¹	55.8%
Median weekly household income ²	\$850
Individuals and households	
Median age ¹	51.1
Average household size ¹	2.3
Access to internet at home ¹	74%
Social and health	
People who rated their community as a pleasant environment ²	96%
Children fully immunised between 24 and 27 months ²	100%
Kindergarten participation ²	93.6%
People who are members of a sports group ²	38.6%

Data sources:

¹ Australian Bureau of Statistics (<https://dbr.abs.gov.au>)

² Victorian Department of Health (<https://www2.health.vic.gov.au/about/publications/data/hume-region-2015>)

Unless otherwise indicated, statistics are taken from the latest year available. The statistics on this page are presented for information purposes and may differ from the data sources used for performance reporting purposes.

About our organisation

The following are the Council Vision, Mission and Values for 2020/21.

Council Vision and Mission

Vision	We will be a World Class small Council and Towong Shire will be the ideal place to live.
Mission	To provide leadership and service to the Towong Shire community that adds value and enhances social, economic and environmental wellbeing now and in the future.

Council Values

Respect	We will listen and consider other perspectives and treat each other with courtesy
Integrity	We will seek the common good
Pride	We will always take care in what we do
Teamwork	We will help others to achieve by being positive, enthusiastic and confident

The year in review

A message from the Mayor and Chief Executive Officer

It is with pleasure that we present the 2020/21 Annual Report.

It has once again been a year of challenges and uncharted territory. As we worked to help communities to recover from the 2019/20 bushfires the COVID-19 pandemic created a constantly changing environment for everyone across the Shire. The impact of lockdowns and cross-border restrictions was immense; many of our businesses had to close or modify operations, and many lost customers. Families and friends were cut off from one another, and many of the bushfire recovery events we looked forward to needed to be postponed or cancelled. Many of our staff worked from home, and we were not always able to obtain access to the agencies and contractors that we work with to deliver projects and services. Our communities and staff are to be commended on the resilience they have shown through this challenging period and the outcomes that have been achieved.

Despite ongoing challenges we were pleased to be able to provide continuity of our core services with modifications where appropriate, and deliver a number of significant priorities including:

- Completion of the upgrade to The Triangles, Tallangatta
- Reconstruction of the burnt Corryong Landfill and Transfer Station storage shed
- Introduction of three-year-old kindergarten under the State Government universal access program
- Implementation of a new Customer Relationship Management system to support staff in delivering excellent customer service.

We continued to advocate strongly for State and Federal government funding to help support ongoing recovery initiatives across the Shire in response to both the bushfires and COVID-19. This helped us to achieve a surplus result of \$5.0m in 2020/21 compared to a budgeted deficit of \$3.4 million, and to secure an incredible \$13 million in support of the 2021/22 capital works program.

Local government elections were held in October 2020, and we welcomed Cr Denise Anderson and Cr Peter Dikschei. We also said goodbye to outgoing councillors Cr Jennie Star and Cr Peter Tolsher and thanked them for their contribution in what was one of the most difficult terms in the history of our Council.

The first year of a new council term is always exciting and following a thorough induction process, we met with the community to develop a new *Community Vision* and *Council Plan 2021-2025* to set our direction for the next four years.

The last two years have been some of the hardest we've ever experienced, and we would like to acknowledge our Councillors and staff for their determination, hard work and achievements during this time. As we move into 2022, we look forward to welcoming back friends, family and new visitors to our Shire as well as delivering more great outcomes for the communities we serve.



Cr David Wortmann
Mayor



Juliana Phelps
Chief Executive Officer

The year in review

A snapshot

July 2020

Funding secured for High Country Rail Trail

Council secured \$160,000 in funding for the development of the High Country Rail Trail under the Federal Government's National Bushfire Recovery Agency's Regional Tourism Bushfire Recovery (RTBR) Grant Program. This funding supports the development of a 'Masterplan' for the future of the High Country Rail Trail, design and installation of consistent signage en-route, and the implementation of a significant cycle tourism marketing campaign over three years.

August 2020

Community Recovery Grants program launched

Shortlisting of Round One of the Community Recovery Grants program commenced, to provide immediate assistance to communities impacted by bushfires and support locally led recovery initiatives. The program was made possible through funding secured from State and Federal Government bushfire recovery grant programs to a total of \$750,000.

September 2020

Upgrades to Attree Centre, Corryong

Upgrades to Attree Centre in Corryong were completed in September 2020. New features included a hands-free water station and dog bowl, bicycle stand and repair kit, new bench seats, additional trees and landscaping and new a spring rocker for the playground.

This project was initiated by a group of dedicated community members who worked together with Corryong Neighbourhood Centre Garden Group to raise \$15,000 for new shade sails at the park. This was matched with \$15,000 funding from Council with a further \$13,000 grant through the Commonwealth Government's Stronger Communities Program, endorsed by Dr Helen Haines MP.

October 2020

Working for Victoria program gets underway

Funding of over \$700,000 from the Victorian Government enabled Council to create 18 new roles for a period of six months to provide critical services in response to COVID-19, with many of the roles commencing in October 2020. The team was of great assistance in maintaining and improving the condition of local infrastructure and the environment, and in supporting arts and culture across the Shire.

November 2020

Councillors Sworn in

Council's newly elected Councillors, Cr Denise Anderson and Cr Peter Dikschei, and returning councillors Cr David Wortmann, Cr Andrew Whitehead and Cr Aaron Scales, were sworn in following the local government election on 24 October 2020.

At the Council meeting on 18 November Cr David Wortmann was elected Mayor and Cr Peter Dikschei was elected Deputy Mayor.

December 2020

Community Engagement Policy Consultation

Community members were invited to be involved in the development of Council's Community Engagement Policy; part of Council's commitment to participatory democracy, providing community members with the opportunity to engage in decision making in relation to matters that affect them.

January 2021

Australia Day Community Award Winners 2021

Council, in partnership with local community groups, recognised the achievements of community members at Australia Day Community Award Ceremonies across the Shire on 26 January 2021.

The events were a welcome opportunity to come together and celebrate as a community after a challenging 2020. They gave communities a chance to recognise those who made a significant contribution particularly during the 2019/20 bushfires.

February 2021

Old Tallangatta stories told through new signage at lookout

New interpretive signage at the Old Tallangatta lookout on the Murray Valley Highway was installed in February 2021. The signs tell the unique history and special stories of the *Town that Moved*. The signs include a QR code to be used with a mobile phone to hear the stories captured on video.

March 2021

New Customer Relationship Management System implemented

A new Customer Relationship Management system was implemented to support staff in the provision of excellent customer service. Staff feedback reflected the effectiveness of the new functionality in tracking customer service requests. The system was also implemented at Alpine Shire Council as part of our ongoing efforts to develop a common digital platform across Towong, Indigo and Alpine Shire Councils.

April 2021

Stage 2 of The Great River Road project receives \$5 million

Council secured \$5 million in funding from the Victorian Government's Bushfire Recovery Regional Economic Stimulus and Resilience Fund to deliver Stage 2 of The Great River Road project. The project will build on the existing 153km Great River Road from Bellbridge to Khancoban, to make it a premier destination for drivers, motorcyclists, cyclists, bushwalkers and campers.

May 2021

Council Plan community consultation

Community workshops were delivered in Corryong, Walwa, Tallangatta, Bellbridge and Mitta Mitta to support the development of the *Council Plan 2021-2025*. These were supplemented by online and paper-based surveys. In total, over 500 individual items of constructive feedback from community members were received and considered across the engagement process.

June 2021

Economic Development Strategy kicks off

The development of a new *Economic Development Strategy* and *Destination Management Plan* for Towong Shire commenced. A community workshop was held and a survey was undertaken to gather community views on relevant opportunities and challenges.

The year in review

Major capital works

Destination Tallangatta - Upgrade to The Triangles

\$315,000 (in 2020/21)

The Destination Tallangatta project was completed with final works undertaken to upgrade furniture, shelters and footpaths in The Triangles. This collaborative \$5.3 million project was funded by several contributions from the Federal Government, CBD shop owner contributions, North East Water, Goulburn Murray Water and Council.

Annual Resealing Works

\$474,723 (in 2020/21)

Council is responsible for maintaining over 1,100kms of local roads, including 378km of sealed roads across Towong Shire. A regular program of maintenance and renewal of the Shire's extensive road infrastructure is undertaken each year.

Corryong Landfill

\$267,272

The 2019/20 bushfires left the Corryong landfill inoperable. The reconstruction of the landfill and the Transfer Station shed was completed with approval to recommence operations from the end of June 2020/21.

Mechanics Shed at Tallangatta Depot

\$240,000

The Tallangatta Depot Mechanics Shed upgrade included the construction of a new mechanics workshop along with a provision for covered fleet parking.

Playgrounds at the Corryong and Tallangatta Kindergarten

\$328,477

The playgrounds and outdoor learning environments at Tallangatta and Corryong Early Years centres were upgraded with a focus on inclusivity and accessibility for all children. These projects were funded by the Department of Education with received \$143,186 and \$120,000 for Tallangatta and Corryong respectively.

The year in review

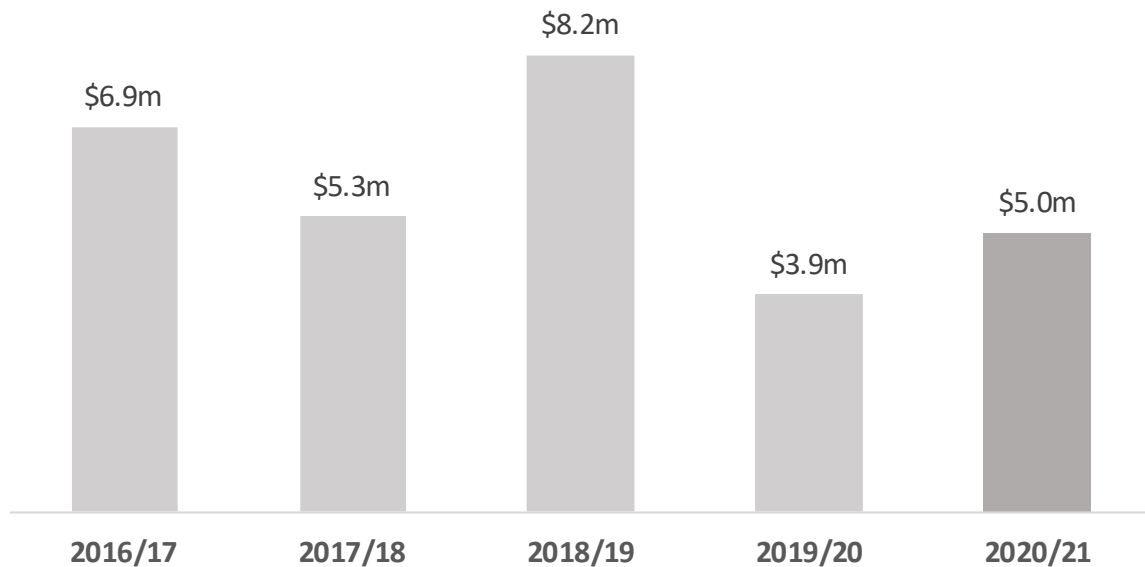
Financial Summary

Operating result

Our Financial Statements for 2020/21 show that we achieved a surplus of \$5.0 million which was \$8.4 million higher than expected, primarily due to the receipt of grants and insurance revenue not anticipated at the time of the 2020/21 Budget. This included \$2.9 million in Disaster Recovery Funding Arrangements for reimbursement of costs incurred as a result of the 2019/20 bushfires, \$2.7 million or approximately 50% of the 2021/22 Financial Assistance Grants from the Victorian Grants Commission in advance, additional funding of \$2.05 million for bushfire recovery efforts, and \$1.1 million from the Local Roads Community Infrastructure Program.

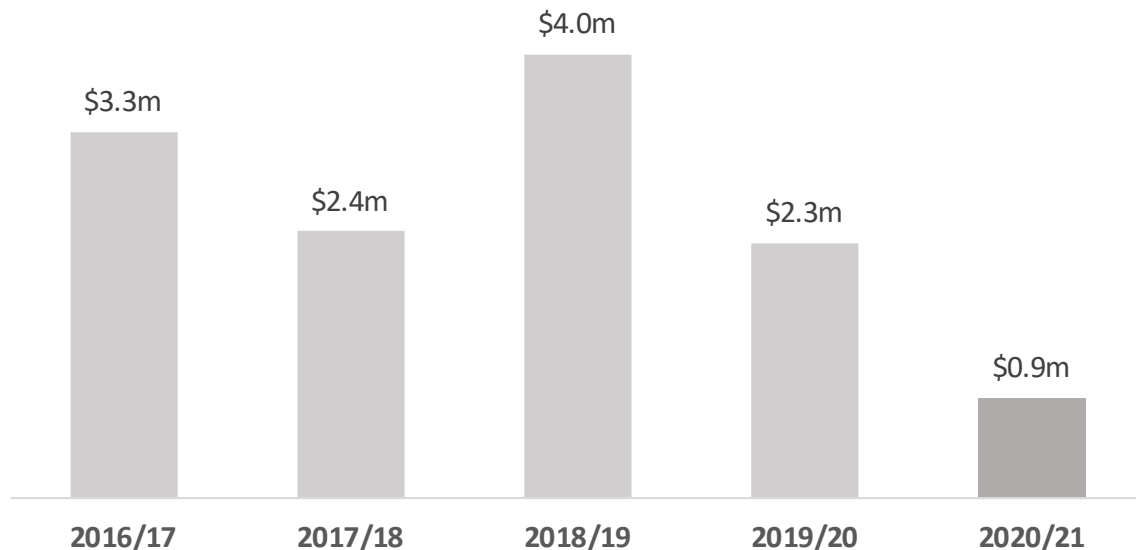
These factors were partially offset by various expenses relating to bushfire recovery, including \$2.3 million for the removal of fire damaged trees from roadsides, and \$1.2 million for transport and disposal of garbage from the Corryong landfill and kerbside collection due to the damaged landfill cell.

A comparison of **operating results** from 2016/17 to 2020/21 is provided in the graph below.



Adjusted underlying result

The adjusted underlying result is Council's operating result less any capital grants. The adjusted underlying result is a measure of financial sustainability. A comparison of Council's **adjusted underlying result** from 2016/17 to 2020/21 is provided in the following graph.



The positive underlying result is primarily reflective of the receipt of non-capital grants and insurance revenue as described above, including early receipt of \$2.7 million in Financial Assistance Grants funding. Financial Assistance Grants are a key source of funding for business-as-usual services and the early funds received will support the ongoing operation of the Council in 2021/22.

Financial sustainability challenges

Like other small Councils across rural Victoria, Towong Shire's large geographic area and small population present significant challenges to adequately fund the maintenance and renewal of community assets and deliver responsive services that meet the needs of the community. A declining population, vast distances between communities and an economy that largely revolves around climatic conditions (particularly agriculture, forestry and tourism) are further factors which impact our financial capacity.

Council has long recognised the risks to our long-term sustainability and sought to mitigate the underlying causes. While our hard work in pursuing grants from State and Federal governments paid off in 2020/21, one-off grants are not reliable and we cannot expect to achieve similar levels of grant funding in future years, particularly given current State and Federal deficit levels.

The rate capping environment

The Victorian Government introduced the Fair Go Rates System from 1 July 2016 to contain the cost of living for ratepayers, with annual rate increases limited by the 'rate cap' set by the Minister for Local Government. While Council supports the principles underpinning this System, we did not have the option to raise revenue through avenues other than rates like larger Councils do, such as parking fees, and development contributions and levies. In order to continue to meet community needs, Council successfully

applied for a rate cap exemption for 2016/17 with an increase of 6.34% and a further exemption for the years 2017/18 -2020/21, allowing a rate cap of 5.55% for each of those years in order to meet financial sustainability challenges. Selected rate increases within this higher cap were passed on to ratepayers during 2017/18, 2018/19 and 2019/20. As a result of State Government funding via Bushfire Recovery Victoria, Council did not pass on a rate increase to ratepayers in 2020/21.

Council is no longer exempt from the standard rate cap. In assessing the capacity of ratepayers to pay, and in consideration of the fairness of continuing to impose high rate increases compared to the rest of the state, Council has not applied for a further exemption. Council believes that ratepayers should not be burdened with increases to the cost of living, particularly where the responsibility lies with State and Federal Governments. A rate increase of 1.5% in line with inflation and the current rate cap was approved as part of the 2021/22 Budget process.

Ongoing financial sustainability

While historical high rate increases have aided Council's financial position, the Long Term Financial Plan indicates that there are continuing challenges in supporting community needs while ensuring financial sustainability. While we have received recent and significant grant funding, reliance on one-off grants is not sustainable, and without the ongoing support of Federal and State governments, our ability to deliver on community needs will be compromised.

Council has continued to advocate strongly to Federal and State governments to provide more reliable funding sources, so that we can provide our communities with the quality of facilities and services that they should be able to expect. We continue to meet directly with representatives, make formal submissions and undertake collaborative campaigns with other small rural councils. In lieu of more reliable funding being available, a reduction in services or a reduction in maintenance and renewal of existing infrastructure may become required.

Council's long term response to sustainability is to increase the number of people residing in communities throughout Towong Shire. This would support better utilisation of existing rural infrastructure and result in costs being spread over a larger ratepayer base. Council has demonstrated its commitment to this long term strategy with its continued delivery of a number of key strategic projects, including:

- Master planning exercises in key communities (Tallangatta Tomorrow, Our Bellbridge, Our Valley Our Future, UM2030 Vision Plan)
- Construction of new recreational facilities and multi-purpose centres throughout the Shire (Corryong, Cudgewa, Mitta Mitta, Tallangatta, Tallangatta Valley and Walwa)
- Construction of a new Library, Early Years and Community Centre in Tallangatta.

Other measures include a continued focus on opportunities to reduce the cost of service delivery, including the development of shared services with other councils.

If there is not adequate funding to provide basic services and infrastructure, people will relocate to larger shires and regional cities where they can access services and infrastructure that meet their needs. A reduction in the local population becomes a downward spiral for rural towns, as there are less residents to contribute to the community and to share the cost of local services and infrastructure. This in turn places greater financial pressure on rural Councils.

Rates and charges

Rates and charges increased by \$28,000, reflecting a small increase due to supplementary development. No rate increase was passed on during 2020/21.

Fees and fines

Statutory fees increased from \$204,000 to \$316,000 primarily due to rebuild efforts following the 2019/20 bushfires. User fees increased from \$1.1 million to \$1.2 primarily due to higher than anticipated utilisation of childcare services.

Grant income

Grant income received was \$14.6 million, another substantial result following the prior year outcome of \$15.9 million. This was approximately \$6.0 million higher than anticipated in the Budget. Key factors included:

- The receipt of \$2.05 million in unanticipated bushfire relief and recovery funding;
- The early receipt of \$2.7 million in Financial Assistance Grants;
- The receipt of \$1.1m under the Local Roads Community Infrastructure Program.

Expenses

Expenses increased from \$24.0 million to \$24.7 million, a result that was \$4.4 million higher than Budget. This was primarily due to unanticipated costs related to bushfire recovery, including contractor costs of \$2.9 million, and garbage disposal costs of \$1.2 million due to the bushfire-damaged Corryong landfill being inoperable. There were also selected one-off unbudgeted projects including community recovery grants (\$532,000) and the reclaimed water Corryong project (\$425,000).

Capital expenditure

Capital works expenditure was \$5.7 million, which was significantly less than the budgeted expectation of \$11.1 million. This was primarily due to the ongoing disruption of COVID-19 resulting in project delays. Projects impacted included the Hanson Street Corryong upgrade, the Colac Colac Caravan Park amenities upgrade, the Mitta streetscape upgrade, Georges Creek Road – Sections 1 and 2, Wisers Creek Road, and various other planned infrastructure works which were carried forward to 2021/22.

Our Council

Councillors

Elections were held for the Towong Shire on 24 October 2020 and the following councillors were elected:



Cr David Wortmann | Mayor

Cr David Wortmann was first elected to Council in November 2008. He was re-elected to Council on 24 October 2020 and is now serving his fourth term. Cr Wortmann served three consecutive terms as Mayor from November 2014 and is now serving his sixth term as Mayor. He has lived in Granya all his life and is married with two children. He runs a beef and sheep farm and also operates a school bus service.



Cr Peter Dikschei | Deputy Mayor

Cr Peter Dikschei was elected to Council on 24 October 2020 for his first term and was elected to the office of Deputy Mayor. He has retired to Towong after a respected career with the Victoria Police and lives there with his wife. He is a member of the Corryong Baptist Church and the SES, and is also a keen cyclist.



Cr Denise Anderson

Cr Denise Anderson was elected to Council on 24 October 2020 for her first term. She has been a resident of Towong Shire for 22 years and has lived in the region all her life. Together with her husband Bill, she has three adult children. Cr Anderson has owned a small business and has experience working in the banking and medical industries in the areas of customer service and management. She has been involved with a variety of school and community organisations such as the Community Recovery Committees and has been a strong voice advocating for her community on government issues.



Cr Aaron Scales

Cr Aaron Scales was first elected to Council in October 2012. He was re-elected to Council on 24 October 2020 and now serves his third term. He has served one term as Mayor. Cr Scales studied Law, Accounting and Hospitality/Tourism and has completed a Masters Degree in Business Administration. He was raised on his family's farm at Dartmouth and has now settled in the town with his two children. He is currently the owner and manager of the Dartmouth Hotel.



Cr Andrew Whitehead

Cr Andrew Whitehead was first elected to Council in October 2016. He was re-elected to Council on 24 October 2020 and now serves his second term. He has served two terms as Deputy Mayor and has been a resident of Towong Shire all his life. He lives with his wife on the family beef and sheep farm in Towong Upper where they are raising their four children. Prior to this Cr Whitehead was a diesel mechanic for 30 years after completing a Plant Mechanic Apprenticeship with Snowy Hydro.

Outgoing Councillors October 2020

Thanks go to our outgoing councillors who finished their tenures with Council in October 2020:



Cr Jennie Star

Cr Jennie Star was elected to Council on 22 October 2016 for one term, with her tenure ending on 23 October 2020. She has lived in Towong Shire for the past twenty five years and is married with four young adult children. Jennie owns and operates a mixed beef and fine wool business in the Cudgewa Valley. She has a Bachelor of Education in Environmental Studies and has completed studies in information technology.



Cr Peter Tolsher

Cr Peter Tolsher was elected to Council on 22 October 2016 for one term, with his tenure ending on 23 October 2020. He moved to Tallangatta in 1975, married a local and raised two children. Peter has been involved in the water industry for over 30 years and is currently a Senior Manager at North East Water.

Our people

Management team

The Chief Executive Officer (CEO) is appointed by Council to oversee the operations of the organisation. The Chief Executive Officer, together with a team of Directors ensures that the priorities identified in the Council Plan are achieved and that day-to-day responsibilities are effectively undertaken.

Juliana Phelps | Chief Executive Officer

Ms Phelps was appointed Chief Executive Officer in May 2009, having served as Council's Director Community and Corporate Services for a period of ten years. Juliana is a Chartered Accountant and holds a Masters of Business Administration as well as a Bachelor of Business Degree in Accounting and Economics. Juliana is also a graduate of the Australian Institute of Company Directors and in 2020 was recognised as one of the top 50 Public Sector Women in Victoria.

Rachael Gadd | Director of Infrastructure and Environment

Ms Gadd was appointed to the role of Director Infrastructure and Environment in October 2019. As Director of Infrastructure and Environment, Rachael is responsible for managing Council's assets, including the maintenance and construction of roads, buildings and storm water to ensure public safety and the delivery of appropriate levels of service for the community. Rachael previously worked for Council in the position of Civil Asset Engineer and has a diverse background having worked in education, as a Geological Field Assistant and a Small Business Manager in the UK.

Amanda Pagan | Director of Community and Planning

Ms Pagan was appointed to the role of Director of Community and Planning in December 2019. As Director of Community and Planning, Amanda is responsible for the management and leadership of a range of areas including Land Use Planning, Community Wellbeing, Economic Development, Recreation, Arts and Culture, and Emergency Management. Amanda has had a diverse career working for private, not-for-profit and Government organisations, including Deloitte Consulting, the Brotherhood of St Laurence, the Australian Red Cross Blood Service and St Vincent's Hospital.

Emma Woolaston | Director of Corporate and Organisational Development

Ms Woolaston was appointed to the role of Director Corporate and Organisational Development in October 2020. As Director of Corporate and Organisational Development, Emma is responsible for managing the areas of Governance, Human Resources, Finance, IT, Customer Service, Communications and Engagement, Records Management and Local Laws. Emma brings to the role a wealth of experience in strategy, business development, operations and governance gained from over fifteen years in management consulting and corporate banking roles, including with the Commonwealth Bank.

Organisational structure

Chief Executive Officer
Juliana Phelps

Rachael Gadd
Director Infrastructure and Environment

Works

Infrastructure maintenance
Parks and open spaces

Projects

Construction and development

Assets

Asset management
Capital projects

Regulatory control

Building services
Environmental health

Environment

Waste management
Wastewater and water supply
Forest industry support

Amanda Pagan
Director Community and Planning

Community

Kindergartens
Maternal and child health
Recreation
Youth, family and senior programs
Emergency management

Land use Planning

Economic and Tourism Development

Business support
Agricultural diversity
Visitor information services
Event support

Recreation Arts and Culture

Swimming Pools

Blair Phillips (*acting 1 June – 12 October 2020*)
Emma Woolaston (*commenced 13 October 2020*)

Director Corporate and Organisational Development

Finance

Accounting
Rates and property
Payroll

Communications and Media

Communications
Community Engagement

Corporate

Information technology
Risk management and insurance
Governance
Customer service
Human resources

Ranger & Local Laws

Nola Tudball (*1 Jul 2020 - 16 Oct 2020*)
Director Relief and Recovery *
Jenelle Williamson
Manager Relief and Recovery (*commenced 17 October 2020*)

Stakeholder engagement
Municipality Recovery planning
Economic Recovery
Recovery projects

Relief coordination
Communications
Community engagement

**Temporary directorate established with funding from Bushfire Recovery Victoria in the immediate aftermath of the 2019/20 bushfires to coordinate relief and recovery services.*

Workforce statistics

A summary of the number of full time equivalent (FTE) council staff, as at 30 June 2021, by key result area, employment type and gender is set out below.

Key Result Area	Full time		Part time		Casual		Total
	Male	Female	Male	Female	Male	Female	
Organisation improvement	3.2	4.5	0.7	8.1	0.1	2.9	19.4
Community wellbeing	1.6	1.4	1.7	13.1	0.0	3.3	21.2
Asset management	37.6	3.6	0.9	2.8	0.0	0.4	45.3
Land-use planning	0.7	1.0	0.0	0.0	0.0	0.0	1.7
Environmental sustainability	5.0	5.0	0.6	1.6	0.5	0.3	13.0
Economic and tourism development	0.0	0.9	0.0	1.6	0.0	0.0	2.5
Executive	0.0	2.8	0.0	0.0	0.0	0.1	2.9
TOTAL	48.1	19.2	3.9	27.2	0.6	6.9	106.0

A summary of the number of full time equivalent (FTE) council staff, as at 30 June 2021, by employment classification and gender is set out below.

Employment Classification	Male	Female	Total
Band 1	0.0	0.3	0.3
Band 2	0.5	0.1	0.7
Band 3	20.1	3.9	24.0
Band 4	13.6	14.3	27.9
Band 5	6.4	10.7	17.0
Band 6	2.8	8.2	11.0
Band 7	5.0	2.9	8.0
Band 8	1.1	1.6	2.7
Band not applicable	3.0	11.4	14.4
TOTAL	52.6	53.4	106.0

Equal employment opportunity

Council has a Discrimination, Harassment, Bullying, Equal Employment Opportunity and Diversity policy that is reviewed and adopted each year. The policy reflects our desire to enjoy a workplace free of discrimination where each person has the opportunity to progress to the extent of their abilities.

Discrimination relating to sex, marital status, parenthood, race, colour, national origin, physical or mental impairment, religious or political affiliation is not tolerated. Selection of individuals for employment is on the basis of merit and flexible arrangements are available to support employees to balance work and family responsibilities.

Our performance

Planning and accountability framework

The *Local Government Act 2020* requires councils to prepare the following planning and reporting documents:

- A ten-year Community Vision;
- A ten-year Financial Plan;
- A ten-year Asset Plan;
- A four-year Council Plan;
- A four-year Revenue and Rating Plan;
- A four-year Workforce Plan;
- A Budget for each financial year and the subsequent 3 financial years;
- An Annual Report in respect of the prior financial year;
- A quarterly budget report in respect of each quarter of the financial year.

The following diagram shows the relationships between the key planning and reporting documents that make up the planning and accountability framework for local government, as well as other key strategic plans of Council. There are opportunities for community and stakeholder engagement at each stage of the planning and reporting cycle.

Planning			Reporting
<i>Long term</i>	<i>Medium term</i>	<i>Short term</i>	
Community Vision Asset Plan Financial Plan Place-Based Master Plans <ul style="list-style-type: none"> • Tallangatta Tomorrow • UM2030 Vision Plan • Our Valley, Our Future • Our Bellbridge 	Council Plan Healthy Communities Plan Budget Revenue and Rating Plan Workforce Plan Planning Scheme	Annual Budget Review	Annual Report Council Plan Reporting Quarterly Budget Reporting 'Know Your Council' Website – Performance Reporting

Reporting on delivery of the Council Plan

The following pages detail Council's performance for the 2020/21 year against the six strategic objectives and the associated strategies and indicators detailed within the *Council Plan 2017-2021*. The six strategic objectives are as follows:

1	Organisational improvement	Embed organisational excellence into our governance and management processes to deliver the best possible outcomes for our residents and ratepayers.
2	Community wellbeing	Assist all residents to attain a high level of health and safety, resilience and connectedness to their communities.
3	Asset management	Maintain and improve our Shire's infrastructure to meet agreed levels of service.
4	Land-use planning	Implement a strategic and sustainable long-term land-use direction for the Shire based on an integrated approach to the natural and built environment.
5	Environmental sustainability	Integrate sustainable environmental management practices into all our activities.
6	Economic and tourism development	Expand employment and economic opportunities whilst continuing to maintain and promote our natural environment and the lifestyle our municipality offers.

Information is also provided regarding delivery of Council's Relief and Recovery services established in the wake of the 2019/20 bushfire season.

1. Organisational improvement

<p>Highlights</p>	<ul style="list-style-type: none"> • Inducting a new Council and conducting extensive community consultation to set direction for the Council term. • Adopting a substantial number of deliverables in line with the requirements of the <i>Local Government Act 2020</i>, helping to continuously improve governance, financial and community facing practices. • Implementing a new Customer Relationship Management system across Alpine and Towong Shire Councils to support staff in delivering excellent customer service. • Successfully advocating to obtain over \$13 million in Federal and State government funding to support improvements in infrastructure across the municipality.
<p>Challenges</p>	<ul style="list-style-type: none"> • Filling key vacancies following the disruption of the 2019 restructure by summer 2019/20 bushfires. • Navigating the ever-changing COVID-19 environment including adapting to changing restrictions and managing health and safety risks. • Continuing to deliver organisational objectives and maintain a cohesive 'Team Towong' with a large number of staff working from home.

2020/21 was a year of change, as local government elections across Victoria led to the election of a new Council for a four-year term. The organisation welcomed returning Councillors Scales, Whitehead and Wortmann to the Council, as well as new Councillors Anderson and Dikschei, providing a balance of continuity and fresh perspectives.

Establishing the direction of the Council for the next four years was a major focus. Following a thorough Councillor induction program, a Councillor strategy retreat was held to begin to determine how the Council could best use focus its efforts to meet community needs. This was followed by extensive community engagement including five face-to-face workshops across the Shire to obtain feedback directly from the community as to what was most important to them. There was a strong alignment in the expressed needs of our communities, with key themes including a desire for welcoming, vibrant and diverse communities supported by quality facilities and services. These themes formed the basis of the development of the *Council Plan 2021-2025* and *Community Vision*.

The year was certainly not without its challenges as staff continued to work with the community on bushfire recovery activities following the summer bushfires of 2019/20, while striving to embed the disrupted organisational restructure of 2019. This was compounded by the ever-changing COVID-19 environment, and significant staff effort was diverted towards adapting the organisation to rapid shifts in state government restrictions while managing health and safety risks. A significant portion of the workforce worked from home for a large proportion of the year. While many staff appreciated the resulting flexibility,

communication across teams was challenging and many were glad when they were able to periodically return to the office to interact with colleagues including new staff members.

As the year progressed, selected staff that had been diverted to emergency management and recovery activities were able to return to their usual roles, and recruitment was able to recommence for vacancies that had been created as part of the restructure to increase capacity and depth of experience and expertise. Good progress was made on filling key positions.

Despite challenges the year also featured a number of notable achievements. Council's hard work to advocate for community needs yielded over \$13 million in committed grant funding from State and Federal sources, an outstanding outcome enabling significant upgrades to infrastructure across the Shire.

Staff worked hard to deliver many of the deliverables due under the new *Local Government Act 2020*. These included a number of governance deliverables to support the robustness of Council's governance practices; a Community Engagement Policy to further embed consistent and transparent community engagement practices across the organisation; and a Revenue and Rating Plan to outline Council's approach to funding its operations.

Community Satisfaction results remained ahead of the Small Rural and State averages, with overall performance at 64 versus the Small Rural result of 60 and a State-wide result of 61; and community satisfaction with consultation and engagement at 60 versus the Small Rural result of 56 and State-wide result of 56. Satisfaction with customer service declined from 71 in 2021 to 64 in 2020, potentially reflecting the effect of the bushfire and COVID-19 on service delivery in the year leading up to survey.

Work continued to improve systems and develop shared services to support the delivery of excellent customer service. In particular a new modernised Customer Relationship Management system was implemented to aid staff in addressing customer enquiries across both Alpine and Towong Shire Councils, and a new planning shared service was launched as we transitioned our planning services to Indigo Shire Council. Development of a new website was progressed to improve navigation and to improve the ability to keep pages updated. We also joined a group of six north-east Councils to successfully advocate to the State government for the provision of grant funds to support collaborative initiatives.

To support the Council in being a great place to work, a Workforce Survey was developed to understand what has been working well for our staff along with areas for improvement. In addition a new Human Resources system was identified to reduce manual effort and improve staff's experience with human resources tasks, for implementation in 2021/22.

The organisation is well placed to carry through with further systems, process and collaboration initiatives into 2021/22 and beyond to improve customer and staff satisfaction.

Services delivered in 2019/20

Services	Description
Councillors, Chief Executive Officer and Executive Team	This area of governance includes the Mayor, Councillors, Chief Executive Officer and Senior Management Team.
Corporate and Organisational Development	This service provides the enterprise functions that enable the organisation to operate efficiently and effectively, including business excellence and innovation, governance, records management, audit, risk management,

human resources, industrial relations, occupational health and safety, financial planning and management, business information and technology. In addition this service provides the functions that enable smooth communication between Council, the community, its staff, and other stakeholders, including customer service, external and internal communications, customer engagement, advocacy and local laws enforcement.

Strategic indicators

Indicator	Target	Result 18/19	Result 19/20	Result 20/21	Target Achieved
Number of business improvements and shared services initiatives that achieve cost savings	Increase	11	8	6	No
Proportion of revenue secured from non-rates sources (\$'000)	Increase	\$14,200	\$18,736	\$20,421	Yes
Percentage of customer requests resolved within one month	Increase	93.8%	95%	93%	No

Service performance indicators

Service	Indicator	Performance Measure	Result 20/21	Target Achieved
Governance	Satisfaction	Satisfaction with Council's consultation and engagement process. Community rating out of 100.	60	Yes

Council Plan progress report

Strategy and strategic indicator(s)	Status	Comments
1.1 Continue to lobby for increased ongoing government funding support	Ongoing	Lobbying efforts have continued, including through meetings with federal and state representatives.
1.2 Investigate new/additional funding streams with a view to reducing reliance on rate revenue (in conjunction with other small Councils)	Ongoing	Council has secured over \$13 million in State and Federal funding to support its 2021/22 capital works program, an outstanding result.
1.3 Improve service delivery and reduce costs through process improvement and shared services	Ongoing	A new planning shared service was put in place with Indigo Shire Council. Progress was made in developing a common digital platform across Towong, Alpine and Indigo Shire Councils, notably including the implementation of a Customer Relationship Management system across Towong and Alpine.
1.4 Continue to improve our Long-Term Financial Plan	Ongoing	A significant review was completed in support of the 2021/22 Budget development process.
1.5 Deploy software that leverages improved IT infrastructure – finance and rates, human resources, asset management, environmental sustainability	Ongoing	A new Customer Relationship Management system was deployed across Towong and Alpine Shire Councils. A new Human Resources system was selected for implementation in 2021/22.
1.6 Implement business improvements – OHS, outdoor pools, saleyards, landfills and transfer stations	Ongoing	The landfill lease was renewed and progress made on restoring its operational status following damage incurred during the 2019/20 bushfires. The majority of actions pertaining to prior OHS audits were completed and a vendor was selected to conduct a fresh audit.
1.7 Undertake a review of Local Laws	Started	The review was started.
1.8 Review services provided to the community and the cost Council (ratepayers) are willing to bear as part of Council Plan and Budget preparation	Ongoing	Community priorities were thoroughly reviewed through the consultation to support the development of the Council Plan 2021-2025, as well as through ongoing Bushfire Recovery consultation.

2. Community wellbeing

<p>Highlights</p>	<ul style="list-style-type: none"> • Offering three-year-old kindergarten at our Early Years centres for the first time, funded by the Victorian State Government. • Upgrading outdoor learning environments at the Tallangatta and Corryong Early Years centres through inclusive playground funding from Department of Education. • Achieving significant growth in childcare enrolments across Tallangatta and Bellbridge. • Employing three part-time positions for Community Artists in the Shire to deliver unique artistic projects funded by the Working for Victoria program.
<p>Challenges</p>	<ul style="list-style-type: none"> • Delivering community services and programs given the compounding effect of bushfires followed by COVID-19 on our communities, including staff and their families. • Providing for continuity of sporting activities across the Shire, with many sporting clubs having to curtail or cancel their seasons and their ovals and facilities impacted by bushfires.

Council aims to assist all residents to attain a high level of health and safety, resilience and connectedness to their communities across all ages and stages.

Our Maternal and Child Health services based in Tallangatta and Corryong supported 200 active clients and 48 new babies over the year to 30 June 2021. Throughout the year the nurses provided a range of services, including:

- Post-natal and pregnancy yoga;
- Sleep and settling techniques;
- Telehealth and specialist consultations; and
- Antenatal classes (in partnership with Corryong Health).

The first ever Welcome to Baby ceremony was held on 2 May 2021 as part of the Healthy Living Festival in Corryong. The festival was well attended by lots of babies and was a great way to celebrate the newest additions to the Shire. The ceremony was a funded initiative to build awareness about family violence.

We continued to provide Early Years services in Walwa, Bellbridge, Corryong and Tallangatta with a total of 193 children enrolled across the centres. Notably there was significant growth in enrolments across Tallangatta and Bellbridge between 2020 and 2021. The growth in the centres has been supported by ongoing recruitment drives for additional educators and teachers and we welcomed several additional staff across our teams.

Three-year and four-year-old kindergarten was offered in Corryong, Tallangatta, Bellbridge and Walwa and 108 children were enrolled across the year. This service is funded by the Victorian State Government for up to 15 hours per week as part of the universal access program.

We also successfully secured funding for playground upgrades for Tallangatta and Corryong Early Years Centres. Tallangatta received \$143,186 and Corryong received \$120,000 in grant funding. The upgrades focus on inclusivity and accessibility for all children.

Each year Council receives a small grant through the FReeZa program to run affordable and accessible music and cultural events in safe venues for young people. The program also gives local performers development and regular performance opportunities. We hosted a range of events, including:

- Bricks for Kids in Tallangatta;
- Flying Fruit Fly Circus in Corryong;
- Fit2 Drive in Tallangatta;
- Northeast Skate Park Series in Tallangatta; and
- Scooter workshops in Corryong and Tallangatta.

Additional initiatives included cartoon workshops held in both Corryong and Tallangatta as part of Youth Week, and the mural art project in Tallangatta and Corryong. A documentary of the project will be made to commemorate the activities.

The Davis Cottage Arts Centre held a community art exhibition in June 2021 which contained approximately 40 submissions by creative locals. The 'Something for Everyone' exhibition embraced and encouraged a wide range of work to officially launch the space and recognise the work achieved under the Working for Victoria program.

The continuing impact of the 2019/20 bushfires and COVID-19 was felt with impacts on the delivery of our swimming pools, early years services and library services. Many sporting groups also needed to cancel or cut short their seasons due to bushfire-damaged infrastructure and COVID-19 restrictions. Repairs and cleanup continues and the importance of ovals, recreation reserves and green spaces has been dramatically highlighted. Funding is being sought to improve these spaces for future emergencies and to support 'returning to play'.

Council was successful in receiving \$250,000 from the Outdoor Eating and Entertainment fund to support businesses and local government to activate outdoor areas during COVID-19. Following a consultation with community groups and business, we coordinated the purchase of a range of resources that will have free, ongoing community use. These include:

- A series of high-quality outdoor tables and benches in locations which benefit cafes and shops along the Mitta Valley;
- Equipment such as seating, shade umbrellas and folding tables to ensure key events such as the Towong Cup can be agile enough to be viable, helping to mitigate the financial uncertainty of indoor dining restrictions;
- Sound equipment and modular stages for indoor and outdoor use, marquees and gazebos – all providing a 'risk-free' way for businesses to bounce back and increase their trade, as well as helping community groups to reconnect;
- Trailers containing many of the commonly requested COVID-19 risk management items such as bollards, lighting, 'pop-up' seating and shade, sanitising stations, and information boards for health advice messages; and
- A trailer containing an inflatable cinema screen with projector and a sound system.

The trailers in particular enable resources to be transported around our geographically dispersed municipality easily, eliminating the problems of obtaining items from across the border given changing

restrictions. The trailers are intended to be provided to businesses/event organisers for no charge (a booking and a bond system will be required).

Services delivered in 2020/21

Services	Description
Community services	Family oriented support services including kindergartens, maternal and child health, immunisations and youth services. Community services also supports Council's commitment to improving access for all residents, delivers an annual Seniors event and supports arts and culture throughout the Shire.
Library services	Public library services are provided at two locations with a customer focus that caters for the cultural, educational and recreational needs of residents.
Swimming pools	Council manages two seasonally operated swimming pools at Corryong and Tallangatta. These pools operate from November to March each year. Council also provides a financial contribution to the community operated Eskdale swimming pool.
Community facilities	This service identifies opportunities for Council and community groups to access funding to better meet community needs and delivers on key Council funding applications.

Strategic Indicators

Indicator	Target	Result 18/19	Result 19/20	Result 20/21	Target Achieved
Vaccination of children	Maintain	177	NA	90.24%	Yes
Participation in the Maternal and Child Health Service	Maintain	81.3%	80.3%	85.5%	Yes
Library collection usage	Increase	1.51	1.12	1.64	Yes
Utilisation of aquatic facilities	Increase	11,607	10,732	*5469	No. Impacted by COVID-19.
Level of participation in Seniors Week event	Increase	62	64	0	No. Impacted by COVID-19.
Level of participation in youth events	Increase	421	252	617	Yes

Service performance indicators

Service	Indicator	Performance Measure	Result 20/21	Target Achieved
Maternal and Child Health	Participation	Participation in the MCH service - Percentage of children enrolled who participate in the service	85.5%	Yes
Maternal and Child Health	Indigenous Participation	Participation in MCH service by Aboriginal children - Percentage of Aboriginal children enrolled who participate in the service	100%	Yes
Libraries	Participation	Active library members - Percentage of the municipal population that are active library members	21.3%	Yes
Aquatic Facilities	Utilisation	Utilisation of aquatic facilities - Number of visits to aquatic facilities per head of municipal population	0.82	No. Impacted by COVID-19.

Council Plan progress report

Strategy and strategic indicator(s)	Status	Comments
2.1 Develop the 2017-2021 Towong Shire Healthy Communities Plan	Complete	The <i>Healthy Communities Plan</i> was adopted in February 2019.
2.2 Review immunisation services	Complete	The City of Wodonga has been engaged to provide school-based services, and local health care providers have been engaged to deliver early childhood services.
2.3 Review Maternal and Child Health services <i>For completion by June 2020</i>	In progress	Stage one completed and development of stage two has commenced.
2.4 Review options for delivery of swimming pool services, including consideration of a community-based model	In progress	Expressions of interest were sought for swimming pool facilitation services in 2020 but no community groups came forward and only one commercial supplier in the form of MomentumOne Shared Services. This company will cease operations prior to the 2021/22 swim season and investigation of alternative recruitment services is in progress.
2.5 Review library services and servicing of remote areas and where appropriate engage with other stakeholders to explore innovative solutions	In progress	No further action during this period. Draft scope prepared for delivery in 2021/22.
2.6 Provide guidance to the Corryong Memorial Hall Committee to update their masterplan and seek funding for hall improvements	In progress	Significant funding has been obtained through BRV funding and improvement works to improve the main hall have been conducted.
2.7 Establish a Tallangatta Neighbourhood House Advisory Committee to deliver an annual program of activities with a view to building standalone capability	Complete	Tallangatta Neighbourhood House Committee established and delivering programs. Council and Neighbourhood House Advisory Committee to review management options to ensure ongoing sustainability of service.
2.8 Seek funding to upgrade Eskdale cricket facilities	Complete	Previous funded improvements complete, damage due to the Eskdale Rec Reserve being used as a bushfire staging area has also been repaired.

			Grant application for an electronic scoreboard was successful.
2.9	Continue to pursue extended child-care services across the Shire	Ongoing	Council is exploring options for expansion of childcare and kindergarten in Corryong. Funded three-year-old kindergarten commenced in 2020/21 at all Council operated sites.
2.10	Encourage development of proactive community groups to progress local initiatives (e.g. funding for improvements at Bethanga Recreation Reserve, branding of localities)	In Progress	<p>Improvements to Talgarno Recreation Reserve tennis courts, playground and outdoor dining area are in progress. Corryong Tennis Club have received a grant for improvements to four courts, and Cudgewa has seen two tennis courts resurfaced.</p> <p>Council and Tennis Victoria collaborated with the above clubs to secure two events conducted by the Australian Open.</p> <p>Cudgewa Recreation Reserve has seen various improvements following the damage from the bushfires including re-turfing and new netball courts. The Tallangatta Icebreaker Swimming Club continued to have good participation. The Davis Cottage Arts Centre was launched and is now providing a focal point for culture in the northern aspect of Towong Shire.</p> <p>Resources gained through the Outdoor Dining and Entertainment Fund have been procured enabling businesses and clubs to hold social events. Assets include an outdoor cinema system, a covid-ready event trailer, outdoor stages, off-grid power, PA systems and lighting.</p>
2.11	Seek funding to upgrade netball courts in Tallangatta, Cudgewa and the Tallangatta Valley	In progress	Both Cudgewa and Bullioh are completing works on resurfacing the netball courts. A wet season has delayed these from being finished. Tallangatta netball courts have been completed.
2.12	Implement improvements to early years services across the Shire	Ongoing	Three-year-old kindergarten commenced for the first time in 2021.

2.13	Implement the Towong Shire Access and Inclusion Plan to support people experiencing a disability	In progress	Focus groups have been held across the Shire, contributing to the Draft Access and Inclusion Plan. The Tallangatta swimming pool has a lift/hoist to improve accessibility. New public tables and seating are being trialed that are 'wheelchair friendly'. The <i>Towong Shire Recreation Strategy</i> will incorporate accessibility into all future planning.
2.14	Seek funding for recreation facility upgrades / renewals (e.g. netball courts and shade sails)	In progress	Funding has been obtained for the Tallangatta swimming pool. Mitta Valley Mountain Bike Park has obtained funding for phase one. Tallangatta Foreshore revitalisation plans have been revised but no funding secured. Advocacy for these facilities continues. The development of a <i>Towong Shire Recreation Strategy</i> commenced, beginning with an audit and map of the future use of recreation in Towong Shire over the next decade.
2.15	Actively participate in the Towong Alliance with the three local health services	Ongoing	Work was undertaken with the Towong Alliance to deliver initiatives under the <i>Towong Healthy Communities Plan</i> . Officers collaborated with Corryong Health and the Corryong Swimming Pool for aquatic rehabilitation sessions, and with Tallangatta Health to promote accessibility at the Tallangatta pool.
2.16	Develop a four-year Youth Plan and deliver <i>FReeZA</i> and other responsive youth programs	Ongoing	A <i>Youth Strategy</i> was developed and adopted by Council and youth programs continued to be delivered. Youth Albury Wodonga programs continued to encourage mental and physical health in Towong Shire. The <i>My Place My Home</i> project was delivered in collaboration with Albury Wodonga Health to encourage Creative Recovery.
2.17	Seek funding to renew/upgrade playgrounds	Ongoing	Funding was secured for Tallangatta Early Years, Corryong Kindergarten

			and Attree Centre Corryong playground upgrades.
2.18	Seek funding to upgrade skate parks in Bellbridge, Corryong and Tallangatta	Ongoing	Works were carried out at the Tallangatta Skate Park following youth engagement. Community consultation is in progress through the Corryong CRC regarding the Corryong Skate Park. The Corryong Pump Track is also under discussion, and funding for tracks and trails at Playles Hill has been secured. The Bellbridge walking track has received funds for resurfacing works; more funding is needed to improve this well used track.
2.19	Participate in community-led or government-led initiatives with the aim of reducing family violence	Ongoing	The firm <i>Projectura</i> was engaged to deliver the 'Primary Prevention of Violence Against Women and Children' project. Ongoing delivery of programs continued including the 'prevention of violence against women in bushfire affected communities' grants program.
2.20	Facilitate an annual Seniors Week activity	Ongoing	Seniors Week event continues to be delivered.
2.21	Advocate for appropriate transport options for community members	Ongoing	Options for Wodonga travel provided to Tallangatta residents through Neighbourhood House.
2.22	Investigate options for delivery of stage two of Our Bellbridge	In Progress	Council applied for funding for a masterplan for the Bellbridge foreshore. Council secured funding to develop a structure plan for Bellbridge/Bethanga.
2.23	Update recreation masterplans to determine future recreation priorities	In Progress	Work has commenced on the <i>Towong Shire Recreation Strategy and Master Planning</i> project. A consultant has been appointed and community engagement has begun.

3. Asset management

Highlights	<ul style="list-style-type: none"> ● Completing the Destination Tallangatta Project. ● Attracting significant project funding to support capital improvements across 2020, 2021 and 2022. ● Continuing upgrades to Georges Creek Road. ● Grading and road maintenance activities across the Shire.
Challenges	<ul style="list-style-type: none"> ● Delivering carry forward projects from previous budgets as a result of bushfires and COVID-19 project delays. ● Needing to alter project delivery outcomes due to project delays and increases in material and contractor prices. ● Working as a team and embedding new staff given remote working arrangements imposed by COVID-19 restrictions. ● Delivering annual road maintenance programs efficiently given COVID-19 restrictions limiting the number of people in Council vehicles to one for a large proportion of the year.

Council was successful in securing significant funding for capital works projects throughout the year from both State and Federal Governments, including over \$13 million in support of the 2021/22 capital works program, a tremendous outcome aiding in the ongoing improvement of community infrastructure. A significant number of capital works projects were completed, however there were also challenges in the form of continuing COVID-19 restrictions, resulting in project delays due to the unavailability of contractors, and project scope changes due to unanticipated increases in material prices.

Successful funding applications included the Great River Road Stage 2 (\$5 million), The Stock Route upgrade (\$2.8 million), the Corryong CBD revitalisation (\$3 million), Stage 2 Tallangatta Holiday Park improvements (\$677,000), Georges Creek Road upgrades (\$2.1million), the Tallangatta swimming pool upgrade (\$325,000), the Corryong saleyards - weighbridge and truck wash (\$450,000) and walking track upgrades at Eskdale and Bellbridge.

There was considerable growth in staff numbers to support funded programs. A departmental restructure introduced several new positions to support delivery of the substantial capital works program, and the Working for Victoria Program saw sixteen new outdoor staff members join Council in six-month positions. The Working for Victoria team planted a significant number of trees in Bethanga and conducted extensive COVID-19 cleaning and maintenance across playgrounds, street furniture and gardens in the municipality. Council's outdoor staff continued to deliver a large program of road maintenance and town maintenance activities through the Shire.

The Destination Tallangatta project was completed with final works undertaken to upgrade furniture, shelters and footpaths in The Triangles. This collaborative \$5.3 million project was funded by several

contributions from the Federal Government, CBD shop owner contributions, North East Water, Goulburn Murray Water and Council.

Playgrounds at the Corryong, Tallangatta and Bellbridge kindergartens were redeveloped and the burnt Cudgewa playground was replaced. Nariel Gap Road received a major culvert replacement and the bridge decks at Counsell's Road and Beers Road were renewed. Council collaborated with VicForests to seal 2km of Thowgla Road to reduced dust for residents during timber salvage operations. Building upgrades were completed at the Upper Murray Recovery Hub and the Man From Snowy River Museum, and occupational health and safety concerns were addressed through a new mechanics shed at the Tallangatta Depot.

Services delivered in 2020/21

Services	Description
Engineering services	<p>This service undertakes design, tendering, contract management and supervision of various works within Council's capital works program. This service also conducts asset renewal and maintenance planning for Council's main infrastructure assets in an integrated and prioritised manner in order to optimise their strategic value and service potential. These include:</p> <ul style="list-style-type: none"> • roads, bridges, footpaths • buildings • drainage • recreation and open spaces
Infrastructure	This service maintains Council infrastructure, vehicles, plant and equipment to meet functional and safety needs.

Strategic indicators

Indicator	Target	Result 18/19	Result 19/20	Result 20/21	Target Achieved
Sealed local roads maintained to condition standards	Maintain	99.7%	100%	100%	Yes
Number of customer requests for unsealed roads	Decrease	68	38	93	No
Condition assessments completed in accordance with Asset Management Plan	100%	99.5%	98%	98%	No. Impacted by COVID-19.
Projects scheduled in Council Plan delivered	100%	93.7%	96%	96%	No. Impacted by COVID-19.

Service performance indicators

Service	Indicator	Performance Measure	Result 20/21	Target Achieved
Roads	Satisfaction	Satisfaction with sealed local roads - Community rating out of 100	57	Yes

Council Plan progress report

Strategy and strategic indicator(s)	Status	Comments
3.1 Deliver Corryong Airport upgrade.	Complete	Project completed in 2018.
3.2 Deliver the Corryong Swimming Pool upgrade.	Complete	Project completed prior to the 2018 season.
3.3 Deliver Eskdale Netball Courts upgrade project.	Complete	Project completed in early 2019.
3.4 Deliver the Great River Road project.	Complete	Project completed in November 2019.
3.5 Deliver the Destination Tallangatta project: foreshore upgrade, path links, playground, road improvements, retail precinct upgrade.	Complete	Project completed in June 2021.
3.6 Deliver town improvement and beautification program: Walwa, Granya, Bethanga, Mitta Valley towns.	In Progress	Walwa, Bethanga, Eskdale, Granya completed. Dartmouth and Mitta Mitta delayed to bushfire recovery works, now programmed for <i>Council Plan 2021-2025</i> .
3.7 Liaise with VicRoads to consider road safety improvements throughout the Shire (e.g. upgrade Y-intersections to T-intersections).	Complete	Work completed on Mitta North Road intersection. Black Spot Funding secured for Lake Road and Murray Valley Highway intersection at Old Tallangatta. Works scheduled for 2021/22. Council continues to liaise with VicRoads through the Towong Shire Traffic Liaison Group.
3.8 Deliver the adopted Capital Works program.	Ongoing	Ongoing. Significant funding has been received however delays were experienced due to bushfires and COVID-19; Some works to carry forward into the <i>Council Plan 2021-2025</i> .

3.9	Work with VicRoads and other stakeholders to progress the upgrade/sealing of the Benambra-Corryong Road.	Ongoing	Identified as a bushfire priority project, funding advocacy, complete for 2020/21.
3.10	Continue Georges Creek Road upgrade and seek funding for improvements to the intersection with River Road.	Ongoing	Funding received for unsealed sections 1, 2 and 3. Section 1 and 2 under construction, Section 3 in planning phase.
3.11	Seek funding and deliver the strategic path links program.	Complete	Planned footpath construction completed, significant funding received for the Corryong Circuit Trail to be delivered as part of <i>Council Plan 2021-2025</i> .
3.12	Complete condition assessments for road assets and non-road assets (e.g. buildings, playgrounds). Condition assessments for road and non-road assets completed by 2021.	Complete	Inspections complete on roads, bridges, footpaths, trees and buildings.
3.13	Improve Lake Road from Bellbridge to Kurrajong Gap Road through Black Spot funding.	Complete	Project completed in 2020.
3.14	Improve town entrances and signage at key locations throughout the Shire.	Complete	Tallangatta town entrances beautification completed. Old Tallangatta town entrance works complete. Signage plan to be developed as part of Tourism Strategy and delivered as part of <i>Council Plan 2021 –2025</i> .
3.15	Assess critical stormwater areas in Bethanga for low flow piping.	Complete	Completed as part of the Bethanga streetscape upgrade.
3.16	Investigate options for the Bethanga Bay Recreation Reserve.	Complete	Funds redirected to Bethanga tree planting and landscaping. Tree planting complete, remaining funds to be carried forward for carparking to the <i>Council Plan 2021-2025</i> .

4. Land-use planning

Highlights	<ul style="list-style-type: none"> ● Commencing the Tallangatta Structure Plan project with the draft plan to be ready for consultation in late 2021. ● Securing funding for structure plans for both Bellbridge and Corryong. ● Continuing to support the bushfire rebuild service with dedicated staff throughout the year. ● Transitioning to a shared service arrangement with Indigo Shire Council for statutory planning services and related compliance and enforcement.
Challenges	<ul style="list-style-type: none"> ● Addressing continuing issues with illegal accommodation and native vegetation removal. ● Securing sufficient resourcing to complete strategic projects.

The land-use planning department commenced transition of its regular activities to a shared service arrangement run by Indigo Shire Council in early February 2021, with planning permit applications, compliance and enforcement activities transitioning to the service. Strategic planning and stakeholder advice, such as liaison with other Council departments and the State Planning Authorities, remains with our Community and Planning Directorate.

In March 2020, the bushfire rebuild service was established to support the rebuilding process following the summer bushfires of 2019/20. This service continued to be provided throughout 2020/21 as a dedicated service with additional staff to support bushfire affected families.

In mid-2020 the Tallangatta Structure Plan project commenced with initial drafts provided in early 2021. COVID-19 restrictions have prevented community consultation on the plan to date. We were successful in securing funding for structure plans for both Bellbridge and Corryong.

Services delivered in 2020/21

Services	Description
Planning	The planning service processes all planning applications, provides advice and makes decisions about development proposals which require a planning permit, and represents Council at the Victorian Civil and Administrative Tribunal. It administers and prepares amendments to the Towong Planning Scheme and carries out research on demographic, urban development, economic and social issues affecting Council. It prepares major policy documents that shape the future of the Shire.

Building services	This service provides statutory building services to the Shire community including processing of building permits, fire safety inspections, audits of swimming pool barriers and investigations of complaints and illegal work.
Environmental health	This service protects the community's health and wellbeing by coordinating food safety support programs, Tobacco Act activities and smoke free dining and gaming venue issues. The service also works to rectify any public health concerns relating to unreasonable noise emissions, housing standards and pest controls.

Strategic Indicators

Indicator	Target	Result 18/19	Result 19/20	Result 20/21	Target Achieved
Time taken to decide planning applications	Maintain	64 days	25 days	45 days	Yes
Planning applications decided within required time frames	Increase	51.72%	82.35%	77.1%	Yes
Percentage of scheduled planning scheme amendments completed	100%	N/A	100%^	N/A	N/A

Service performance indicators

Service	Indicator	Performance Measure	Result 20/21	Target Achieved
Statutory planning	Decision making	Council planning decisions upheld at VCAT - Percentage of planning application decisions subject to review by VCAT and that were not set aside	1	No

Council Plan progress report

Strategy and strategic indicator(s)	Status	Comments
4.1 Finalise the Rural Activity Zone amendment	In Progress	The C25 amendment was submitted with significant exclusions.
4.2 Analysis of the residential and industrial needs of Tallangatta and identification of future residential and industrial development options for the town	Commenced	The study extended to include areas surrounding Tallangatta. A draft structure plan for Tallangatta has been completed and is ready for community consultation, pending COVID-19 restrictions. Council secured funding for Bellbridge and Corryong.
4.3 Section 12B Whole of Scheme Review	In Progress	A review is underway as part of the PPF translation project.
4.4 Creation of Developer Contributions Policy	Deferred	Recommended for <i>Council Plan 2021-2025</i> .
4.5 Anomalies/Corrections Amendment	Not yet started	To be addressed as part of the planning framework project.
4.6 Potable Water Supply Catchment ESO Amendment	Deferred	Recommended for <i>Council Plan 2021-2025</i> .
4.7 Roadside Vegetation ESO/VPO Amendment	Deferred	Recommended for <i>Council Plan 2021-2025</i> .
4.8 Translation of Upper Murray Flood Study to new Floodway Overlay and Land Subject to Inundation Overlay	Deferred	Recommended for <i>Council Plan 2021-2025</i> .
4.9 Tallangatta CBA Mixed Use Zone Amendment	Deferred	Recommended for <i>Council Plan 2021-2025</i> .
4.10 Rewrite of MSS and Local Planning Policies including new 'Extractive Industry Haulage Route' Local Planning Policy	Deferred	Recommended for <i>Council Plan 2021-2025</i> .
4.11 Clause 52.17 Schedule – Nominate Blackberry as Specified Weed	Deferred	Recommended for <i>Council Plan 2021-2025</i> .
4.12 Bushfire Management Overlay Schedules	Deferred	Recommended for <i>Council Plan 2021-2025</i> .
4.13 Wastewater Treatment Plant ESO Amendment (Bellbridge, Corryong and Tallangatta)	Deferred	Recommended for <i>Council Plan 2021-2025</i> .

4.14	Backzone areas of General Residential Zone at Corryong to Low Density Residential Zone	In progress	Funding secured to create Corryong Structure Plan.
4.15	Significant Landscape Overlay Amendment (as recommended by regional landscape study)	Deferred	Recommended for <i>Council Plan 2021-2025</i> .
4.16	Heritage Places Assessment and Heritage Overlay Amendment	Deferred	Recommended for <i>Council Plan 2021-2025</i> .
4.17	Tom Groggin Rezoning	Deferred	Recommended for <i>Council Plan 2021-2025</i> .

5. Environmental sustainability

<p>Highlights</p>	<ul style="list-style-type: none"> ● Reconstructing the burnt Corryong Landfill and Transfer Station storage shed. ● Creating and filling the new role of Coordinator Environment. ● Delivering the Local Government Energy Saver and Waste Not Want Not funded projects. ● Completing a risk assessment of closed landfills. ● Securing funding from the State Government to assist with glass and organics collection transition.
<p>Challenges</p>	<ul style="list-style-type: none"> ● Servicing an increase in the number of bin collection services. ● Delivering projects in an environment of successive COVID-19 lockdowns. ● Sourcing contractors to complete landfill repair works, leading to delays.

Council continued to deliver a successful kerbside waste and recycling service throughout the Shire with some increase in the number of bin collection services. A review of waste management and recycling services was conducted in advance of the Victorian Government’s proposed changes to recycling services resulting including the separation of glass and organics, and funding was secured to assist with the transition to glass and organics collection.

Landfills were a continuing focus and despite some COVID-19 related delays, reconstruction of the burnt Corryong Landfill and Transfer Station storage shed was completed, with approval for use to recommence at the end of June 2021. Changes to the *Environment Protection Act 2017* (which came into effect on 1 July 2021) introduced new General Environmental Duty requirements to conduct risk assessments of closed landfills. Council participated in the North East Waste and Resource Recovery Group’s project to conduct assessments of closed landfills across the Shire to identify site specific risks and mitigations.

Works were also undertaken at the Corryong and Tallangatta Transfer stations to improve the storage and separation of flammable materials following an independent audit, and to establish reuse shops to improve the separation of reusable items from the waste stream.

Council participated in the Goulburn Broken Greenhouse Alliance, the North East Waste and Resource Recovery Group and the Regional Integrated Water Management Forum to work and advocate on joint projects relating to climate change resilience and recycling.

Upgrades to the Tallangatta and Corryong Offices delivered energy reduction measures including underfloor insulation, glazing and hot water system replacements. Asbestos audits were renewed for all Council buildings with works undertaken at the Corryong Maternal Child Health Centre and Corryong Depot to remove asbestos.

Street tree planting continued in the Shire's townships with thirty percent of the tree planting strategy achieved to date. The initiative is improving shade and township amenity and is part of Council's investment into climate change resilience and mitigation.

Services delivered in 2020/21

Services	Description
Waste Services	This service provides waste collection including kerbside collection of rubbish and recycling from households and commercial properties, special hard waste and green waste collections, resource recovery centre and landfill management.
Emergency Management	This service provides Council's emergency management planning function in collaboration with the Municipal Emergency Management Planning Committee.
Animal Control	This service provides animal management services including dog and cat collection, lost and found notification service, pound service, registration / administration service and an after-hours emergency service. It also provides education, regulation and enforcement of the Local Law and relevant State legislation.

Strategic indicators

Indicator	Target	Result 18/19	Result 19/20	Result 20/21	Target Achieved
Kerbside bin collection requests	Decrease	332	395	360	Yes
Kerbside collection waste diverted from landfill	Increase	33.11%	25.75%	25.61%	No

Service performance indicators

Service	Indicator	Performance Measure	Result 20/21	Target Achieved
Waste collection	Waste diversion	Kerbside collection waste diverted from landfill - Percentage of garbage, recyclables and green organics collected from kerbside bins that is diverted from landfill	38.1%	Yes

Animal management	Health and safety	Animal management prosecutions - Number of successful animal management prosecutions	No prosecutions	N/A
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Council Plan progress report

Strategy and strategic indicator(s)	Status	Comments
5.1 Research options for Mitta Mitta town water with North East Water.	In Progress	No further action during this period. Submitted as a priority planning project for funding through the Regional Integrated Water Management Forum.
5.2 Continue to explore solutions for Bellbridge wastewater expansion (in conjunction with North East Water).	Complete	North East Water are progressing technical aspects of the project.
5.3 Review waste services across the Shire (including green waste, hard waste, recycling and rubbish bin options).	In Progress	Circular economy transition planning in progress, waste review document under revision to reflect changes at State level.
5.4 Continue to lobby for the expansion/improvement of North East Water's Tallangatta wastewater plant to accommodate Tallangatta's future development and the elimination of odour emanating from the plant.	In Progress	North East Water upgrades commenced with project scheduled for completion 2021/22.
5.5 Maintain current and future landfills to best practice and investigate improvements to operations (e.g. covers) Work to continue for the life of this Council Plan.	Ongoing	Removal of waste from bushfire damaged landfill cell in Corryong complete. Relining of existing cell complete.
5.6 Continue to implement noxious weed control along roadsides with available funding and lobby for additional funding	Ongoing	2020/21 program complete.
5.7 Encourage adjoining landowners (including DELWP and Parks Victoria) to implement weed controls on their land	Ongoing	Roadside spraying with Parks Victoria Good Neighbour Program complete.

5.8	Investigate and seek funding for solar street lighting in key locations	In Progress	Funding received for Walwa Walking Track to Murray River
5.9	Continue to look at renewable energy projects where funding is available (e.g. Banking on Our Solar Future)	Ongoing	Solar panels installed on most Council buildings and battery system installed at Corryong Library.
5.10	Deliver strategic tree plantings under the Tree Management Plan as funding becomes available.	Ongoing	30% of the tree planting strategy achieved to date.
5.11	Encourage (and where possible deliver) sustainable design for community buildings and residential development.	Ongoing	Upper Murray Events Centre complete with sustainable design principles. All Council building upgrades will meet energy efficiency requirements.
5.12	Support waste initiatives in the North East Regional Waste Implementation Plan and Regional Waste Minimisation Strategy.	Ongoing	Round 1 Transfer Station Infrastructure Funding of \$198,269 received from DELWP for circular economy transition planning, including optimal timing to introduce a 4 bin system.
5.13	Consider the options available for the Bethanga Wastewater Project, explore preferred solutions and seek funding to deliver a solution (if feasibility can be established).	In Progress	Council continues to work with North East Water.
5.14	Investigate the options for the development and reporting of Environmental Performance indicators.	In Progress	Ongoing monitoring of greenhouse emissions from Council operations using Trellis.
5.15	Research options available for reticulated sewerage in Eskdale.	Not yet started	No further progress during this period.

6. Economic and tourism development

<p>Highlights</p>	<ul style="list-style-type: none"> ● Securing \$5 million for delivery of Stage Two of the Great River Road. ● Assisting Mitta Valley Inc to secure funding for the development of the Mitta Mountain Bike Park. ● Assisting small businesses and non-profit organisations to navigate through the COVID-19 cloud and advocating on their behalf. ● Initiating the development of three core strategies to support the ongoing direction of Council’s economic development activities - the <i>Economic Development Strategy, Agriculture Strategy, and Destination Management Plan</i>. ● Securing funding to establish a country university centre in Corryong at the Innovation Space. ● Collaborating with the Man from Snowy River Tourists Association and Upper Murray Inc. to deliver the first Tourism and Business Expo in the Upper Murray.
<p>Challenges</p>	<ul style="list-style-type: none"> ● Delivering projects while dealing with the challenges of bushfire recovery and the changing COVID-19 environment. ● Attracting visitation and providing visitor services given successive COVID-19 lockdowns and the associated requirement to close the Visitor Information Centre. ● Operating productively while dealing with changes in staff and delays in filling key positions.

COVID-19 posed significant challenges to the Towong business community in terms of continuity of both operations and staffing. Council staff also found it extremely difficult to deliver planned events and activities that were designed to bolster the existing businesses and attract new businesses. The challenges largely arose from the continued lockdowns, restrictions and border closures throughout the year.

Despite these challenges, we undertook a significant body of work including the development of our *Economic Development Strategy, Agriculture Strategy, and Destination Management Plan*. The plans, when finalised and adopted, will provide direction to the economic development activities undertaken by Council in the coming years.

The year also featured several funding highlights, including securing \$5 million for the development of the Great River Road, supporting Mitta Valley Inc to secure \$1.5 million for the Mitta Mountain Bike Park, and assisting Upper Murray Inc to secure \$2.8 million for the energy micro-grid. We also applied for a range of further funding opportunities to develop of tourism in the shire. Notably this included applications for activation of Lake Hume, redevelopment of the Bellbridge foreshore and development of a museum

complex in Tallangatta to leverage the notable town status. A project plan was also created to develop the Omeo Highway as a significant touring route.

Improving telecommunications across the municipality was also a major focus. During the year two new towers were commissioned (Mt Alfred and Berrigama). We were also successful in lobbying for new towers in Koetong and Burrowye with both expected to be commissioned in 2022. To support further development, officers commenced work on a municipal wide telecommunications review in partnership with Alpine Shire Council. This work will inform future Federal and State Government telecommunications funding opportunities.

Cycle tourism is an increasing focus and an significant amount of work was carried out in relation to the development of the High Country Rail Trail master plan and a municipal wide mountain biking strategy. We also significantly expanded our promotional assets (such as brochures, photography, videography and maps) in anticipation of the tourism influx that is likely to arise once COVID-19 restrictions lift further. Notably the SBS series *Trail Towns* visited the Shire in May to film its season finale, showcasing tourism assets across our region with a focus on cycling. The hosts tested out the best road and gravel riding from Corryong to Tallangatta and the Mitta Valley, visiting several iconic tourist locations along the way.

One of the excellent events held by Council during the year was the well-attended Upper Murray Tourism and Business Expo. The Expo was well received and regular events are now planned across the municipality for 2022.

Services delivered in 2020/21

Services	Description
Economic development	The economic development service facilitates an environment that is conducive to a sustainable and growing local business sector and provides opportunities for local residents to improve their skill levels and access employment.
Tourism	This service includes the provision of a Visitor Information Centre in Corryong, support for visitor information services in Tallangatta and development of tourism websites to provide advice to visitors to the region.

Strategic indicators

Indicator	Target	Result 18/19	Result 19/20	Result 20/21	Target Achieved
Number of businesses ¹	Increase	908	931	920	No
Utilisation of Visit Upper Murray and Valleys Lakes and Vistas websites	Increase	10,291	28,401	30,229	Yes

¹ Australian Bureau of Statistics

Service performance indicators

Service	Indicator	Performance Measure	Result 20/21	Target Achieved
Economic development	Economic activity	Change in number of businesses - Percentage change in the number of businesses with an ABN in the municipality	-1.2%	No

Council Plan progress report

Strategy and strategic indicator(s)	Status	Comments
6.1 Develop and launch the Valleys Lakes and Vistas tourism website.	Complete	Project complete. Work to refine websites continues.
6.2 Explore options in relation to a Centre for Dairy Excellence in the Upper Murray	In Progress	We continue to explore options.
6.3 Develop and implement a Recreational Hunting Tourism Strategy.	Ongoing	Following community consultation, focus transferred from development of a strategy to ongoing advocacy.
6.4 Explore options for creating cycle product within the Towong Shire and where feasible, deliver or facilitate new product (e.g. new cycle event linked to the Tallangatta 50's Festival, opportunities with the High Country Rail Trail).	In Progress	Assisted Mitta Valley Inc. to secure funding to deliver 50% of the Mitta Mountain Bike Park, and continued to assist with project delivery. Developed a comprehensive cycling photo and video library. Engaged Urban Enterprise to develop a mountain biking strategy for the Shire. Coordinated an inaugural road race in the Upper Murray and gravel race in the Mitta Valley (both delayed due to COVID-19). Developed a plan to support funding bids for the construction of a trail link around HVP managed land.

			Working with a Stakeholder Steering Group to develop a Masterplan for the High Country Rail Trail.
6.5	Explore options to capitalise on Tallangatta's Notable Town status (e.g. establishment of a Museum to celebrate Tallangatta's unique heritage)	In Progress	Sought funding to improve the amenity of Tallangatta including foreshore improvements, accessibility throughout the township (and to the Lookout), local history interpretation panels and sculptures. Sought funding to undertake an engagement process and develop infrastructure plans (to shovel ready status) to capitalise on Tallangatta's notable town status.
6.6	Seek further funding and deliver the Upper Murray Events Centre.	Complete	Project completed following funding from the State and Federal Governments.
6.7	Secure control of the Lakelands Holiday Park and seek funding to implement the adopted recommendations from the Tallangatta Holiday Park Planning Study Work to continue for the life of this Council Plan.	In Progress	Discussions with Goulburn Murray Water continue. Stage One of the Holiday Park is completed, and Stage Two is currently being delivered. Officers continue to seek funding to complete adopted recommendations.
6.8	Continue to lobby for improved mobile phone and internet coverage across the Shire	In Progress	Collaborating with Alpine Shire Council to improve data to support advocacy efforts. Continuing to advocate for improved coverage to State and Federal Governments and participating in the Indi Telecommunications Group. Successfully secured funding for Sky Muster Satellite NBN Internet for 10 community halls across the Shire. Successfully advocated for funding to be allocated for a base station at Jingellic and

			secured for Koetong (installation proposed for 2022). Towers in Berringama and Burrowye activated.
6.9	Seek funding for the Connecting Corryong project	In Progress	Previous attempt for funding under Federal Government's <i>Building Better Regions Fund</i> was unsuccessful. Funding has been successfully sought for the development of a new lookout at Playles Hill, inclusive of a walking path. North East Water has secured funding to support the implementation of irrigation to the Recreation Reserve.
6.10	Work with business operators to assist them to become more profitable (e.g. Business After Hours program, targeted training, etc)	In Progress	Business support workshops delivered with partner agencies. First Upper Murray Business and Tourism Expo successfully delivered.
6.11	Work with UM2030 Community Board to deliver outcomes from the UM2030 Plan	In Progress	Secured \$5 million to deliver stage two of the Great River Road and Town Trails. Commenced the development of an agricultural strategy.
6.12	Advocate for houseboats on Lake Hume and Dartmouth Dam	In Progress	Attempts to secure funding for the feasibility study have not been successful. Additional funding sought for the development of a Lake Hume masterplan including activation of houseboats.
6.13	Work with key stakeholders, including Tourism North East and Parks Victoria, to provide opportunities for ecotourism in our Shire (e.g. Pine Mountain).	In Progress	Secured funding for the development of an interpretive centre at Pine Mountain. Supported the delivery of an Upper Murray walks and

			recreational cycling brochure and 'Stepping it Up' a program to support the development of walking experience.
6.14	Continue to advocate for The Narrows project at Tallangatta	In Progress	Feasibility study previously funded, completed and acquitted. Sought funding for the development of a Lake Hume masterplan including revisiting The Narrows project.
6.15	Work with local operators to facilitate the development of a farm gate trail in the Mitta Valley and replicate in other localities as appropriate	In Progress	Mitta Valley Destination Plan developed. We launched a Guide to Opening a Farmgate and hosted workshops. Secured funding for Mitta Mountain Bike Park to help promote and activate farm gates.
6.16	Support the delivery of the North East Regional Dairy Growth Plan and Workforce Development Strategy through Alpine Valleys Dairy Pathways Group	In Progress	We continue to work with Alpine Valleys Dairy (AVD). Commenced the development of an agricultural strategy.
6.17	Seek funding to research Indigenous history in the Towong Shire	In Progress	Commenced the development of a Reconciliation Action Plan. Developed indigenous interpretive material for the Old Tallangatta Lookout. Funding sought to research indigenous Heritage through the Great River Road project.
6.18	Promote the Omeo Highway and the Benambra-Corryong Road as touring links to the Gippsland region	In Progress	A Memorandum of Understanding (MOU) and a project plan was developed to upgrade and promote of the Omeo Highway to become a premier Victorian touring route. Advocacy work continues to seek funding for the sealing

			of the Benambra-Corryong Road. Both routes have been identified as touring opportunities in the Destination Management Plan.
6.19	Seek funding for a Dartmouth RV dump and water point to support RV Friendly town promotion.	Complete	Successfully secured funding and project delivered.
6.20	Create branding for the Great River Road and the Upper Murray and deliver marketing campaign.	In Progress	Branding complete. Funding has been secured for the marketing and promotion of the Great River Road.
6.21	Leverage off Rural Councils Victoria project to attract people to live in rural areas / seek funding opportunity for associated study.	In Progress	Continued involvement in Rural Councils Victoria.
6.22	Explore options to increase the availability of residential and industrial land across the Shire.	In Progress	Currently undertaking a structure plan for Tallangatta. Additional funding secured for Bellbridge and Corryong structure plans.
6.23	Host an economic development forum in 2020.	Not yet started	The Upper Murray Tourism and Business Expo was held instead.
6.24	Investigate options to support/promote farmgate/ agribusiness opportunities	In Progress	Delivered farmgate workshops, developed guides, and sought funding to support diversification of agriculture industry. Continued exploration of opportunities to deliver hero projects to support the organic growth of farmgate businesses.

7. Relief and recovery

<p>Highlights</p>	<ul style="list-style-type: none"> • Developing strong trust-based working relationships with the Community Recovery Committees to support the identification and implementation of the community recovery priorities, as well as a variety of events and activities including nine Community Fire Debrief sessions. • Delivering three rounds of the Community Recovery Grants Program in which a total of \$582,619 in funding was provided to 126 community projects. • Building a strong working relationship with support agencies ensuring a coordinated approach across levels of government. • Helping to secure approximately \$16.7 million through Bushfire Recovery Victoria's various Economic Recovery Funding programs to support various infrastructure projects across the Upper Murray. • Providing direct support to individuals to address recovery needs including access to support funding.
<p>Challenges</p>	<ul style="list-style-type: none"> • Delivering recovery services and achieving community recovery given ongoing COVID-19 restrictions and particularly state border restrictions. Impacts included a reduction in the number of community events, challenges in service agencies and contractors accessing the region, and a loss of community connections between cross border communities. • Assisting community members with the rebuild process given ongoing complexities and challenges, including changes building requirements regarding Bushfire Attack Levels (BALs). • Addressing gaps and minimising risk of duplication of recovery services delivered by a range of agencies and service providers.

Following initial bushfire relief activities, our Relief and Recovery team continued to evolve throughout 2020/21 to meet the changing needs of our communities, with the priority on providing support and access to funding and services for individuals most in need. The team is set to continue to provide recovery services into 2021/22 following confirmation of further funding from the Victorian Government.

The team worked closely with communities and together with Bushfire Recovery Victoria to establish Community Recovery Committees (CRCs), identify community needs and assist in the implementation of recovery priorities, helping to achieve approximately \$16.7 million in funding to support various infrastructure projects across the Upper Murray.

The team worked hard to assist communities to attract funding to support the implementation of recovery priorities across the region, and also launched the Community Grants Program supported by State and

Federal Government funding. A wide variety of projects, programs and events were successful in securing financial support, however COVID-19 restrictions meant that many critical community gatherings, recovery services and programs had to be cancelled, postponed or delivered with attendee limitations. COVID-19 restrictions have significantly impacted and delayed the recovery efforts for the community.

Partnerships with community stakeholders and various agencies have been critical to the successful delivery of Relief and Recovery services to individuals and communities, and continue to support our advocacy efforts to State and Federal government agencies to ensure ongoing support for affected communities across the Shire.

Governance and management arrangements

Governance

Towong Shire Council was established by an Order of the Governor in Council on 24 October 1996 and is a Body Corporate. Council's main office is located at 32 Towong Street, Tallangatta.

In accordance with Section 8 (1) of *Local Government Act 2020*, the role of Council:

is to provide good governance in the municipal district for the benefit and wellbeing of the municipal community.

In accordance with Section 9 of the *Local Government Act 2020*:

- (1) A Council must in performance of its role give effect to the overarching governance principles.
- (2) The following are the overarching governance principles:
 - (a) Council decisions are to be made and actions taken in accordance with the relevant law;
 - (b) Priority is to be given to achieving the best outcomes for the municipal community, including future generations;
 - (c) the economic, social and environmental sustainability of the municipal district, including mitigation and planning for climate change risks, is to be promoted;
 - (d) the municipal community is to be engaged in strategic planning and strategic decision making;
 - (e) innovation and continuous improvement is to be pursued;
 - (f) collaboration with other Councils and Governments and statutory bodies is to be sought;
 - (g) the ongoing financial viability of the Council is to be ensured;
 - (g) regional, state and national plans and policies are to be taken into account in strategic planning and decision making;
 - (h) the transparency of Council decisions, actions and information is to be ensured.

Council recognises that effective governance is the key to ensuring that Council meets the community's priorities. Many formal decisions are made at Council Meetings, and some of Council's powers have been delegated to Council staff and are exercised in accordance with Council policies. The community has the opportunity to be involved in Council's decision-making processes through specific community engagement processes in line with our Community Engagement Policy, and 'Public Question Time' held in conjunction with Council's monthly meeting.

Council meetings

Council's ordinary meetings are held monthly, except for January when there may be no meeting depending on any business that needs to be addressed. These meetings are conducted in accordance with Council's *Governance Rules*.

For the 2020/21 year Council held the following meetings:

- Twelve (12) ordinary council meetings
- Three (3) special council meetings.

Committees

In 2020/21 Council had one Community Asset Committee, the Riverview Walwa Community Asset Committee, to provide and manage self-contained accommodation at Riverview Units, Walwa.

Councillor Code of Conduct

The Councillor Code of Conduct outlines the standards of conduct expected to be observed by Councillors in the course of performing their duties and functions as Councillors. The Council last adopted its Code of Conduct on 24 February 2021.

In accordance with the requirements of the *Local Government Act 2020*, the Councillor Code of Conduct is designed to:

- Provide for good governance and decision making across the municipality;
- Establish agreed high standards of behaviour and conduct;
- Create a common understanding of the different roles of Councillors and the administration;
- Clarify dispute resolution procedures; and
- Outline the treatment of breaches.

It provides a framework for robust debate in which legitimate differences in opinions, beliefs and values can be discussed constructively.

Councillor allowances

Mayors and Councillors are entitled to receive allowances while performing their duties as an elected officials. The external body responsible for determining allowance ranges has historically been the Minister for Local Government. Under the *Local Government Act 2020* this is transitioning to the Victorian Independent Remuneration Tribunal. Until the Tribunal has made their first determination, the *Act* specifies that allowances are to remain as previously governed by the relevant provisions of the *Local Government Act 1989*.

Under these provisions, all councils are divided into one of three categories based on the income and population of each council. Towong Shire Council is a 'Category 1' Council and therefore the current allowance ranges are:

- Councillors: \$8,833-\$21,049; and
- Mayor: up to \$62,884.

Allowances are also subject to the addition of the equivalent of the superannuation guarantee and the reimbursement of any necessary out-of-pocket expenses they incur while performing their duties as a Councillor. Councillors may also claim a remote travel allowance of \$40 per day to attend meetings held more than 50km from their place of residence.

Councils are required to review and determine the level of Mayoral and Councillor allowances within the first six months after a general election. At the February Council Meeting Council conducted this review and determined to align Councillor allowances to \$21,049 and the Mayoral allowance to \$62,743.

Councillor reimbursement of expenses

Councillors are reimbursed for expenses incurred whilst performing their duties as a Councillor. Council is also required to adopt and maintain an expenses policy in relation to the reimbursement of out-of-pocket expenses for Councillors. The policy provides guidance for the payment of reimbursements of expenses and the provision of resources, facilities and other support to the Mayor and Councillors.

Councillor	Conferences and Training*	Information and Communication Technology	Travel^	Childcare	Functions and Events
Cr Aaron Scales	\$2278	\$0	\$396	\$0	\$0
Cr Andrew Whitehead	\$1220	\$377	\$1712	\$0	\$0
Cr Denise Anderson	\$1675	\$121	\$3489	\$0	\$0
Cr David Wortmann	\$2530	\$1081	\$880	\$0	\$0
Cr Peter Dikschei	\$1920	\$132	\$1118	\$0	\$0
Cr Jennie Star	\$0	\$255	\$205	\$0	\$0
Cr Peter Tolsher	\$0	\$67	\$0	\$0	\$0

*Inclusive of group training such as Councillor induction training

^Travel including mileage and accommodation

Audit and Risk Committee

The Audit Committee was established by resolution of Council on 19 January 1998 as an independent advisory committee to assist Council in the effective conduct of its responsibilities for financial reporting, management of risk, maintaining a reliable system of internal controls and facilitating the organisation's ethical development.

It was re-established as the Audit and Risk Committee in accordance with the requirements of the *Local Government Act 2020* at the Council Meeting on 1 September 2020.

During 2020/21 the Audit and Risk Committee met quarterly to discuss Council's Budget, finance reports, Council priorities, external and internal audits, OHS, performance reporting, finance systems, legal and compliance actions, risk management and policy development.

During 2020/21, the Audit and Risk Committee considered:

Financial management and performance reporting

- Annual financial and performance statements
- External Auditor reports
- Budget development
- Quarterly financial reporting
- Community Satisfaction Survey results

Risk management

- Local government investigations
- Risk management strategy and action plan
- OHS Safety Management System
- Insurances
- Legal updates
- Emergency management planning
- Bushfire and COVID-19 response
- Business Continuity Plan
- Human resources management
- Internal Audit Plan

Governance

- Audit and Risk Committee Work Plan and Self-Assessment
- Local Government Act 2020 implementation
- Gender Equality Act 2020 implementation
- CEO Credit Card Expenditure.

Audit and Risk Committee Members

In 2020/21 the Audit Committee was comprised of the Mayor and four independent external members. The external members were as follows:

Mr Robert Lees (Chair)

Mr Lees was first appointed to the Audit Committee in March 2015 and his appointment was extended in July 2019. He has had a varied local and international career in commercial development, commodity trading, procurement and operations management. Mr Lees has significant experience in corporate governance, procurement, strategic planning, lean manufacturing, and general management. He has positions on the boards of Hume Employment Services Limited, Belmere Pty Ltd and Tallangatta Health Service and is also a member of the Rotary Club of Bellbridge Lake Hume. Mr Lees has lived in the Shire for most of his life and currently lives in Bellbridge.

Mrs Kira Bryant

Mrs Bryant was first appointed to the Audit and Risk Committee in 2019. She grew up in the local area attending Tallangatta Secondary College. From there, Mrs Bryant completed a Bachelor of Rural Business with the University of Melbourne. After living in Ararat, in Western Victoria for a short time, she returned to the North East with her young family. Over the last 12 years Mrs Bryant has gained extensive experience in banking, finance, and agriculture. During this time, she also completed a Diploma of Financial Planning. Mrs Bryant is currently working for the Regional Investment Corporation as an Agribusiness Senior Credit Assessor. Mrs Bryant returned to Georges Creek with her husband and 3 children two years ago.

Mr Spencer Rich

Mr Rich was appointed to the Audit Committee in July 2019. He has over 20 years of experience in occupational health and safety management, risk management and corporate governance, including nearly 10 years with Wodonga Council in roles spanning these fields. Mr Rich holds a Diploma of Occupational Health and Safety and an Advanced Diploma of Governance, Risk and Compliance.

Ms Jessica Campbell

Ms Campbell was appointed to the Audit and Risk Committee in September 2019. She has had an extensive local legal career and continues to practice in the area of personal injury law. She has had positions on local sporting groups, agricultural discussion groups and school boards. Ms Campbell has lived in the Shire for most of her life and currently lives in the local area. Her children also attend a local school and kindergarten.

External audit

Council is externally audited by the Victorian Auditor-General's Office (VAGO). For the 2020/21 year the annual external audit of Council's financial statements and performance statement was conducted by VAGO's representative, Crowe Australasia. The external auditors engage with Council's Audit and Risk Committee to present their independent audit report. The external audit management letter and responses are also provided to the Audit and Risk Committee.

Risk management

Council is committed to taking a best practice approach to managing risk. We recognise that risks are inherent in all our functions and understand that all systems and processes exhibit variability, impacting on predictability and performance.

Managing risk is not about finger pointing when things go wrong, rather it is a conscious decision to improve Council's systems and processes. The objectives of our risk management policy are to:

- Ensure we appropriately deal with risk;
- Safeguard our assets: people, financial and property;
- Create an environment where all our employees will assume responsibility for managing risk;
- Preserve our ability to deliver policy and performance objectives in a timely, efficient and effective manner; and
- Implement transparent and responsible risk management processes, which align with accepted best practice.

Governance and management checklist

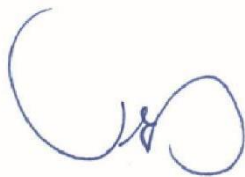
Governance and management items	Assessment	Result
1 Community engagement policy Policy required by section 55 of the Act outlining Council's commitment to engaging with the community on matters of public interest	Adopted 24 February 2021	Yes
2 Community engagement guidelines Guidelines to assist staff to determine when and how to engage with the community	Adopted 24 February 2021	Yes
3 Financial Plan Plan required by section 91 of the Act describing the resources required to give effect to the Council Plan	Adopted 27 October 2021	Yes
4 Asset Plan Plan required by section 92 of the Act describing information about each class of infrastructure under the control of Council	Asset management plans are currently in operation including Roads – 6 August 2012	Yes

	Recreation and open spaces – 6 December 2016 Trees – 6 December 2016 Drainage – in draft Buildings and structures – in draft The prescribed Asset Plan is to be adopted by 30 June 2022 in accordance with the requirements of the <i>Local Government Act 2020</i> .	
5 Revenue and Rating Plan Plan required by section 93 of the Act describing Council’s funding sources	Adopted 23 June 2021	Yes
6 Annual Budget Required by section 94 of the Act including the financial statements, services and initiatives to be funded, and how much is to be raised by rates and charges	Adopted 23 June 2021	Yes
7 Risk policy Policy outlining Council’s commitment and approach to minimising the risks to Council’s operations	Current policy in operation 24 February 2021	Yes
8 Fraud policy Policy outlining Council’s commitment and approach to minimising the risk of fraud	Current policy in operation 9 December 2020	Yes
9 Municipal emergency management plan Plan under section 20 of the <i>Emergency Management Act 1986</i> for emergency prevention, response and recovery	Prepared and maintained in accordance with section 20 of the <i>Emergency Management Act 1986</i> 3 December 2019	Yes
10 Procurement policy Policy under section 186A of the <i>Local Government Act 1989</i> outlining the matters, practices and procedures that will apply to all purchases of goods, services and works	Prepared and approved in accordance with section 186A of the <i>Local Government Act 1989</i> 24 February 2021	Yes
11 Business continuity plan Plan setting out the actions that will be undertaken to ensure that key services continue to operate in the event of a disaster	Current plan in operation 30 July 2018	Yes
12 Disaster recovery plan Plan setting out the actions that will be undertaken to recover and restore	Current plan in operation 30 July 2018	Yes

business capability in the event of a disaster		
13 Risk management framework Framework outlining Council's approach to managing risks to the Council's operations	Current framework in operation 20 March 2019	Yes
14 Audit and Risk Committee Advisory committee required by section 53 of the Act to monitor compliance with the Act, to monitor financial and performance reporting, to advise on risk management and fraud controls, and to oversee audit functions	Established 1 September 2020	Yes
15 Internal audit Independent accounting professionals engaged by the Council to provide analyses and recommendations aimed at improving Council's governance, risk and management controls	Internal auditor engaged to perform OHS audit. Note that Council does not have a single internal auditor, rather relevant technical experts are conducted to conduct audits of high-risk exposures on a case by case basis, to ensure that Council utilises the best expertise relevant to the audit in question.	Yes
16 Performance reporting framework A set of prescribed indicators required by section 98 of the Act measuring financial and non-financial performance	Current framework in operation 1 July 2020	Yes
17 Council Plan reporting Report reviewing the performance of the Council against the Council Plan, including the results in relation to the strategic indicators	Current report 24 March 2021	Yes
18 Financial reporting Quarterly report required by section 97 of the Act comparing actual and budgeted results to date with an explanation of variances	Conducted quarterly	Yes
19 Risk reporting Six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies	Reported bi-monthly	Yes
20 Performance reporting Six-monthly reports of indicators measuring the results against financial and non-financial performance	Current report 24 March 2021	Yes

<p>21 Annual report Annual report required by section 98 of the Act containing a report of operations of the Council, and audited performance and financial statements</p>	<p>Presented at a meeting of Council 27 January 2021</p>	<p>Yes</p>
<p>22 Councillor Code of Conduct Code required by section 139 of the Act including the standards of conduct expected to be observed by Councillors</p>	<p>Reviewed and adopted in accordance with the requirements of the <i>Local Government Act 2020</i> 24 February 2021</p>	<p>Yes</p>
<p>23 Delegations A document setting out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff</p>	<p>Reviewed 24 March 2021</p>	<p>Yes</p>
<p>24 Meeting procedures Governance Rules required by section 60 of the Act outlining the conduct of Council meetings</p>	<p>Adopted 1 September 2020</p>	<p>Yes</p>

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



Juliana Phelps
Chief Executive Officer
Date: 23/11/2021



Cr David Wortmann
Mayor
Date: 23/11/2021

Statutory information

Documents available for public inspection

The opportunity to access information about Council operations is a vital part of open and accountable government. Council's Public Transparency Policy outlines the documents that are available for public inspection in accordance with section 57 of the *Local Government Act 2020*.

Best value

Council seeks to achieve best value for its communities across all of its activities, by taking a proactive and systematic approach to keeping costs as low as possible while striving to deliver services to the standard expected by the community.

Council has been recognised as a leader in procurement and process efficiency in the local government sector. Council is also recognised for its innovative shared services arrangements which have resulted in improved service delivery and reduced costs through collaboration with neighbouring councils. Shared services have been established for the following services:

- Planning services
- Building control
- Environmental health
- Rates and property
- Immunisations

Other best value initiatives include the implementation of a shared digital platform with Alpine Shire Council and Indigo Shire Council. The program aims to provide a frictionless customer experience and drive internal efficiencies across all three Councils. The collaborative approach has aided in driving best value in procurement and implementation of the program, and continues to provide a strong foundation for further collaborative initiatives between the Councils.

Carers recognition

In accordance with the *Carers Recognition Act 2012* Council is required to report annually on its care management obligations under Section 11 of that Act. Council has taken all practicable measures to comply with its responsibilities outlined in the Carers Recognition Act 2012. Council has promoted the principles of the Act to people in care relationships who receive council services, to people in care relationships, and to the wider community by:

- distributing printed material through relevant council services
- providing information to organisations represented in Council/community networks.

Council has taken all practicable measures to ensure staff, council agents and volunteers working for Council are informed about the principles and obligations of the Act.

Council has taken all practicable measures to review and modify policies, procedures and supports to include recognition of the carer relationship.

Contracts

During the year Council did not enter into any contracts valued at \$150,000 or more without first engaging in a competitive process. However, it is noted that a relationship with a supplier was entered into resulting

in cumulative expenditures in excess of \$150,000 over a period time crossing 2020/21 and 2021/22, that should have been treated as a single procurement exercise. Controls have been reviewed and staff training has been conducted to mitigate the risk of such breaches in the future.

Disability Action Plan

In accordance with Section 38 of the *Disability Act 2006*, Council has prepared a *Disability Action Plan* (known as the Towong Shire Access and Inclusion Plan).

Domestic Animal Management Plan

Council adopted its *Domestic Animal Management Plan 2017-2021* in November 2017. Its development was guided by the following principles:

- The belief that pets contribute to quality of life
- A requirement to balance the needs of those who own pets and those who do not
- Valuing responsible pet ownership
- Proactive animal management and education within the community
- Protection of the environment from any negative impacts of dogs and cats
- Working in partnership with others to achieve positive outcomes for the community
- Local Government plays a leadership role in animal management

Council's *Domestic Animal Management Plan 2017-2021* includes an Action Plan to assist Council to achieve the Plan's objectives over a four-year period.

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 financial year.

Freedom of Information (Fol)

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

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

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

Access charges may also apply once documents have been processed and a decision on access is made (e.g. photocopying, search and retrieval charges). Further information regarding Fol can be found at www.foi.vic.gov.au or on Council's website.

Public Interest Disclosures Procedures

In accordance with Section 69 of the *Public Interest Disclosures Act 2012*, Council must include in their Annual Report information about how to access the procedures established by the Council. It is also

required to provide certain information about the number and types of protected disclosures complaints investigated during the financial year.

The purpose of the *Public Interest Disclosures Act 2012* is to encourage and facilitate the making of disclosures in relation to the improper conduct of Council and its employees and to provide protection for persons making disclosures against detrimental action. Procedures on how to make a disclosure are publicly available on Council's website.

During the 2020/21 year no disclosures were notified to Council officers appointed to receive disclosures or to the Independent Broad-based Anti-corruption Commission (IBAC).

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 financial year.

Performance statement

Description of municipality

Towong Shire, in far North East Victoria, enjoys some of Australia's most pristine environments. Our unique wilderness areas, lakes, rivers and streams create diverse landscapes that are enjoyed by around 6,046 residents and many more visitors across an area of 6,635 square kilometres.

Our municipality includes many diverse townships and localities including Bellbridge, Bullioh, Berringama, Bethanga, Biggara, Burrowye Corryong, Cudgewa, Dartmouth, Eskdale, Granya, Guys Forest, Koetong, Lucyvale, Mitta Mitta, Mt Alfred, Nariel, Old Tallangatta, Shelley, Talgarno, Tallandoon, Tallangatta, Tallangatta Valley, Thologolong, Tintalra, Towong and Walwa.

The economy of the region revolves around a rich agricultural sector, tourism and timber production and processing. Approximately two-thirds of businesses in the Shire are in the agricultural and forestry industries.

Like many rural areas, Towong Shire's small population and vast geographic area presents Council with a significant challenge to adequately fund the maintenance and renewal of community assets. Council is taking actions to address this situation through strategies that promote economic and population growth as well as by implementing innovative methods to reduce costs wherever it can. Council is confident that this approach delivers best value to the community.

Operational summary

A number of fluctuating circumstances has influenced the year's performance results. Towong Shire was significantly impacted by the 2019/20 bushfires in the Upper Murray from late December 2019 into January 2020 with Council continuing relief and recovery efforts.

This has been compounded by the Coronavirus pandemic (COVID-19) which has affected the ability of Council to provide business as usual in addition to relief and recovery services to those impacted by the bushfires.

COVID-19

The COVID-19 pandemic has affected everyone in our community including front-line workers who deliver our services. To keep everyone safe, some Council services such as community events, community centres, libraries, Council offices and playgrounds have been intermittently closed, while some staff have been able to conduct work online. Fortunately, many of Council's front-line services, such as maternal and child health, maintenance and waste services have been able to continue as close to normal (within the guidelines) with little impact. Generally nearly all services have been able to continue in some form or another throughout the pandemic through shifting to remote delivery where appropriate, however the delivery of Council's capital works program has been hampered by industry wide delays caused by the pandemic.

PERFORMANCE STATEMENT					
Sustainable Capacity Indicators - for the year ended 30 June 2021					
<i>Indicator/measure</i>	Results 2017/18	Results 2018/19	Results 2019/20	Results 2020/21	Material Variations
<p>Population</p> <p><i>C1 - Expenses per head of municipal population</i> [Total expenses / Municipal population]</p>	\$2,270.84	\$2,450.12	\$3,975.33	\$4,046.71	<p>Total expenses were \$24.693 million in 2020/21 compared to:</p> <ul style="list-style-type: none"> • \$24.007 million in 2019/20; • \$14.833 million in 2018/19; and • \$13.566 million in 2017/18. <p>Total expenses in 2020/21 and 2019/20 were significantly higher than previous years due to:</p> <ul style="list-style-type: none"> • Costs incurred in the appointing of contractors to support bushfire recovery efforts; • Deployment and the continuing efforts of the bushfire recovery team; • Garbage disposal costs due to the bushfire-damaged Corryong landfill being inoperable; • Increased levels of depreciation.
<p><i>C2 - Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]</p>	\$33,299.13	\$30,768.09	\$31,036.42	\$30,924.94	<p>The variability over time of the results for this indicator depend on the levels of capital works carried out each year in renewing or upgrading Council assets as well as the level of depreciation.</p>

PERFORMANCE STATEMENT					
Sustainable Capacity Indicators - for the year ended 30 June 2021					
<i>Indicator/measure</i>	Results 2017/18	Results 2018/19	Results 2019/20	Results 2020/21	Material Variations
C3 - <i>Population density per length of road</i> [Municipal population / Kilometres of local roads]	5.05	5.12	5.11	5.16	The length of road has not changed over the reporting period with fluctuations in the population the cause of changes in the result for this indicator.
Own-source revenue C4 - <i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$1,722.80	\$1,904.53	\$1,989.40	\$2,458.70	Historically this indicator has increased marginally year on year due increases in the level of total rates and charges collected to cover the costs of providing services and maintaining infrastructure. In 2020/21 own source revenue increased substantially, largely due to the significant level of reimbursements received towards bushfire recovery costs from the Disaster Recovery Funding Arrangements (DRFA) and insurance claims.

PERFORMANCE STATEMENT					
Sustainable Capacity Indicators - for the year ended 30 June 2021					
<i>Indicator/measure</i>	Results 2017/18	Results 2018/19	Results 2019/20	Results 2020/21	Material Variations
Recurrent grants C5 - Recurrent grants per head of municipal population [Recurrent grants / Municipal population]	\$1,101.61	\$944.17	\$1,139.07	\$1,211.90	Variability in results is due to the timing of payments of the Financial Assistance Grants. Each year of this reporting period payments in advance of approximately \$2.0 to \$2.7 million were received (approximately 50% of the following year's allocation).
Disadvantage C6 - Relative Socio-Economic Disadvantage [Index of Relative Socio-Economic Disadvantage by decile]	6	5	5	5	
Workforce turnover C7 - Percentage of staff turnover [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	15.4%	14.1%	15.4%	24.4%	Staff turnover has been relatively stable in previous years with an increase in 2020/21 potentially due in part to the impacts of the 2019/20 bushfires and COVID-19.

Sustainable Capacity Indicator 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 2033.0.55.0001) 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.

PERFORMANCE STATEMENT					
Service Performance Indicators – for the year ended 30 June 2021					
Service/indicator/measure	Results 2017/18	Results 2018/19	Results 2019/20	Results 2020/21	Material Variations
Aquatic Facilities Utilisation AF6 - Utilisation of aquatic facilities [Number of visits to aquatic facilities / Municipal population]	2.81	1.96	1.92	0.89	Council operates two outdoor seasonal swimming pools. There were 5,455 visits recorded in 2020/21 compared to 10,732 in 2019/20, 11,607 in 2018/19 and 11,708 in 2017/18. Visitation rates were impacted by COVID-19 and the effects of lockdowns.
Animal Management Health and safety AM7 - Animal management prosecutions [Number of successful animal management prosecutions / Number of animal management prosecutions]	New in 2020	New in 2020	0%	0%	This indicator replaced AM4 from 2019/20. There were no animal prosecutions in 2020/21 and 2019/20.

PERFORMANCE STATEMENT					
Service Performance Indicators – for the year ended 30 June 2021					
Service/indicator/measure	Results 2017/18	Results 2018/19	Results 2019/20	Results 2020/21	Material Variations
Food Safety Health and safety <i>FS4 - Critical and major non-compliance outcome notifications</i> [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100	100.00%	100.00%	100.00%	100.00%	There was one critical or major non-compliance outcome notification issued in 2020/21. This compares to three in 2019/20, seven in 2018/19 and thirteen in 2017/18. All notifications were followed up.
Governance Satisfaction <i>G5 - Satisfaction with council decisions</i> [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	59	58	63	60	Council participated in the 2021 Community Satisfaction Survey. Council's performance in 2021 outperformed the Small Rural Shire average of 56 as well as the State-wide average of 56 for this indicator.

PERFORMANCE STATEMENT					
Service Performance Indicators – for the year ended 30 June 2021					
Service/indicator/measure	Results 2017/18	Results 2018/19	Results 2019/20	Results 2020/21	Material Variations
Libraries Participation <i>LB4 - Active library borrowers in the municipality</i> [Sum of the number of active library borrowers in the last three years / the sum of the municipal population for the last three years] x100	12.17%	10.56%	10.82%	9.16%	Council provides two static libraries in its main centres of Corryong and Tallangatta. These libraries service our small, dispersed population which is spread over 6,635 square kilometres. Many residents reside outside the two main centres where the static libraries are located and may access other library services in neighbouring municipalities. Library participation declined somewhat due to the impact of COVID-19 and associated restrictions.
Maternal and Child Health (MCH) Participation <i>MC4 - Participation in the MCH service</i> [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	71.58%	81.31%	80.30%	85.50%	There were 174 children who attended the MCH service at least once in 2020/21 compared to: <ul style="list-style-type: none"> • 163 in 2019/20 • 181 in 2018/19 and; • 158 in 2017/18. There were 49 birth notifications received in 2020/21 compared to: <ul style="list-style-type: none"> • 46 in 2019/20; • 44 in 2018/19; and • 35 in 2017/18.

PERFORMANCE STATEMENT					
Service Performance Indicators – for the year ended 30 June 2021					
Service/indicator/measure	Results 2017/18	Results 2018/19	Results 2019/20	Results 2020/21	Material Variations
Participation MC5 - Participation in the MCH service by Aboriginal children [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	57.14%	66.67%	100.00%	100.00%	There are two children registered with the MCH service who identify as having an Aboriginal or Torres Strait Islander background in 2020/21 compared to three in 2019/20, three in 2018/19 and four in 2017/18. Both children have actively participated in the MCH service in 2020/21.
Roads Satisfaction R5 - Satisfaction with sealed local roads [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	58	58	63	57	Council's performance in 2020/21 outperformed the Small Rural Shire average of 53 and equalled the State-wide average of 57.
Statutory Planning Decision making SP4 - Council planning decisions upheld at VCAT [Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	100.00%	NA	100.00%	100.00%	There was one VCAT decision in 2020/21, one in 2019/20, no VCAT decisions in 2018/19 and one VCAT decision in relation to planning applications in 2017/18. All VCAT decisions upheld Council's decisions.

PERFORMANCE STATEMENT					
Service Performance Indicators – for the year ended 30 June 2021					
Service/indicator/measure	Results 2017/18	Results 2018/19	Results 2019/20	Results 2020/21	Material Variations
Waste Collection Waste diversion <i>WC5 - 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	32.94%	14.69%	25.75%	20.82%	<p>The weight of recyclables was updated in 2020/21 and 2019/20 using weights charged on each invoice by Council's recycling contractor. In previous years average weights from the kerbside bin audit were used.</p> <p>The weight of garbage and organics was updated in 2020/21 using weights charged on each invoice by Council's waste contractor. This was due to the Corryong landfill cell being rendered inoperable in the 2019/20 bushfires; all waste was tipped at the Albury City Council's Waste management facility which has a weighbridge. In previous years average weights of garbage and organics remained in line with the kerbside bin audit report conducted in 2017.</p>

Service Performance Indicator definitions

“Aboriginal child” means a child who is an Aboriginal person

“Aboriginal person” has the same meaning as in the Aboriginal Heritage Act 2006

“active library member” means a member of a library who has borrowed a book from the library

“annual report” means an annual report prepared by a Council under sections 131,132 and 133 of the Act

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

“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

“critical non-compliance outcome notification” means a notification received by council under section 19N(3) or (4) of the *Food Act 1984*, or advice given to Council by an authorised officer under the 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 a council by an authorised officer under the 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

PERFORMANCE STATEMENT									
Financial Performance Indicators – for the year ended 30 June 2021									
Dimension/ <i>indicator</i> / <i>measure</i>	Results				Forecast				Material Variations
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	
Efficiency Expenditure level <i>E2 - Expenses per property assessment</i> [Total expenses / Number of property assessments]	\$3,063.69	\$3,304.30	\$5,359.60	\$5467.89	\$4841.23	\$4,410.83	\$4,391.97	\$4,455.63	Total expenses were \$24.693 million in 2020/21 compared to: <ul style="list-style-type: none"> • 24.007 million in 2019/20; • \$14.833 million in 2018/19; and • \$13.566 million in 2017/18. Total expenses in 2020/21 and 2019/20 were significantly higher than previous years due to: <ul style="list-style-type: none"> • Costs incurred in the appointing of contractors to support bushfire recovery efforts; • Deployment and the continuing efforts of the bushfire recovery team; • Garbage disposal costs due to the bushfire-damaged Corryong landfill being inoperable; • Increased levels of depreciation.
<i>E4 - Average rate per property assessment</i> [General rates and municipal charges revenue / Number of rateable property assessments]	New in 2019/20	New in 2019/20	\$1,721.65	\$1,713.24	\$1,745.79	\$1,775.51	\$1,802.35	\$1,829.41	This indicator replaced E1 from 2019/20. Council adopted no increase to the general rate and municipal charge in 2020/21 and adopted an increase of 1.5% as part of the 2021/22 budget, which also forecasted rate increases of 1.5% or each year thereafter.

PERFORMANCE STATEMENT									
Financial Performance Indicators – for the year ended 30 June 2021									
Dimension/indicator/measure	Results				Forecast				Material Variations
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	
Liquidity									
Working capital									
<i>L1 - Current assets compared to current liabilities</i> [Current assets / Current liabilities] x100	832.83%	939.94%	611.10%	388.23%	340.55%	404.07%	417.58%	413.52%	Council is currently holding a significant amount of cash due to receiving payments in advance for approximately half of the 2021/22 allocation of Financial Assistance Grants as well as funding for a number of significant projects including Fixing Country Roads, Bushfire Recovery and carry forward capital works that are forecast to be spent in 2021/22.
Unrestricted cash									
<i>L2 - Unrestricted cash compared to current liabilities</i> [Unrestricted cash / Current liabilities] x100	115.10%	717.14%	570.66%	207.10%	310.12%	376.00%	389.39%	385.90%	Council is currently holding a significant amount of cash due to receiving payments in advance for approximately half of the 2021/22 allocation of Financial Assistance Grants as well as funding for a number of significant projects including Fixing Country Roads, Bushfire Recovery and carry forward capital works that are forecast to be spent in 2021/22. Council's current Strategic Resource Plan modelling classifies term deposits as cash and cash equivalents (and not as "other assets" per the forecast indicator). The Strategic Resource Plan also assumes 100% capital program completion and that all grants received will be expended at 30 June each year.

PERFORMANCE STATEMENT									
Financial Performance Indicators – for the year ended 30 June 2021									
Dimension/indicator/measure	Results				Forecast				Material Variations
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	
<p><i>O5 - Asset renewal and upgrade compared to depreciation</i></p> <p>[Asset renewal and asset upgrade expense / Asset depreciation] x100</p>	New in 2019/20	New in 2019/20	121.37%	129.41%	441.95%	58.26%	61.25%	64.52%	<p>This indicator replaced O1 from 2019/20.</p> <p>The forecast results in 2021/22 are higher than Council's planned renewal strategy of 100%, due to carry forward from 2020/21 due to the impact of COVID-19, and substantial State and Commonwealth grant funding received to support additional capital works.</p> <p>Council's asset renewal strategy has been to renew 100% of assets that fall below the intervention level. Intervention levels have been set based on community expectations.</p> <p>Forecast levels from 2022/23 are lower than 100% as a number of renewal projects scheduled in these years have been brought forward due to the grant funding available in 2021/22.</p>

PERFORMANCE STATEMENT									
Financial Performance Indicators – for the year ended 30 June 2021									
Dimension/indicator/measure	Results				Forecast				Material Variations
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	
Loans and borrowings									
<i>O2 - Loans and borrowings compared to rates</i> [Interest bearing loans and borrowings / Rate revenue] x100	4.28%	3.48%	0.04%	0.04%	6.50%	25.18%	26.43%	30.93%	<p>Council entered into a finance lease for the purchase of a garbage truck in 2018 and had \$4,000 of borrowings at 30 June 2021.</p> <p>The forecast increase from 2022/23 is due to Council's intention to take out borrowings to cover the costs of significant infrastructure projects including parts of Destination Tallangatta, Walwa, Granya, Bethanga and Mitta Mitta streetscapes.</p>
<i>O3 - Loans and borrowings repayments compared to rates</i> [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	0.74%	0.90%	0.95%	0.18%	0.61%	3.17%	3.60%	4.51%	<p>Council entered into a finance lease for the purchase of a garbage truck in 2018.</p> <p>The forecast increase from 2022/23 is due to Council's intention to take out borrowings to cover the costs of significant infrastructure projects including parts of Destination Tallangatta, Walwa, Granya, Bethanga and Mitta Mitta streetscapes.</p>

PERFORMANCE STATEMENT									
Financial Performance Indicators – for the year ended 30 June 2021									
Dimension/indicator/measure	Results				Forecast				Material Variations
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	
<i>Indebtedness</i> <i>O4 - Non-current liabilities compared to own source revenue</i> [Non-current liabilities / Own source revenue] x100	13.50%	10.24%	9.80%	7.13%	11.99%	30.30%	30.51%	35.46%	This measure increases in forecast years with the landfill rehabilitation provision expected to increase as new landfill cells are created every second year. The landfill provision has remained reasonably stable due to no new cells being constructed since cell # 2 was damaged during the 2019/20 bushfires. Cell #2 was in final stages of reconstruction at 30 June 2021 and is due to become operable early in the 2021/22 financial year.
<i>Operating position</i> <i>Adjusted underlying result</i> <i>OP1 - Adjusted underlying surplus (or deficit)</i>	21.77%	21.27%	12.41%	7.82%	(33.36%)	(8.17%)	(6.57%)	(9.48%)	The significant variability in results is due to the timing of payments of the Financial Assistance Grants. Each year of this reporting period payments in advance of approximately \$2.0 to \$2.7 million were received (approximately 50% of the following year's allocation).

PERFORMANCE STATEMENT									
Financial Performance Indicators – for the year ended 30 June 2021									
Dimension/indicator/measure	Results				Forecast				Material Variations
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	
Stability Rates concentration <i>S1 - Rates compared to adjusted underlying revenue</i> [Rate revenue / Adjusted underlying revenue] x100	48.12%	46.82%	33.56%	34.44%	57.39%	52.00%	52.27%	53.77%	The significant variability in results is due to the timing of payments of the Financial Assistance Grants. Each year of this reporting period payments in advance of approximately \$2.0 to \$2.7 million were received (approximately 50% of the following year's allocation).
Rates effort <i>S2 - Rates compared to property values</i> [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.60%	0.57%	0.56%	0.52%	0.45%	0.46%	0.47%	0.48%	The small increases in the forecast figures is due to the assumption of a forecast rate increase of 1.50% from 2021/22 and the assumption that Capital Improved Values remain constant.

Financial Performance Indicator 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 in paragraphs (a) and (b)

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

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

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

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

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

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

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

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

"population" means the resident population estimated by Council

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

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

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

Retired measures									
Service/indicator/measure									
	Results				Forecast				Material Variations
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	
Animal management Health and safety AM4 – Animal management prosecutions [Number of successful animal management prosecutions]	0	0	Retired in 2019/20	Retired in 2019/20					This indicator was replaced by AM7 from 1 July 2019.
Efficiency Revenue level E1 – Average residential rate per residential assessment [Residential rate revenue / Number of residential property assessments]	\$1,445.05	\$1,504.89	Retired in 2019/20	Retired in 2019/20					This indicator was replaced by E4 from 1 July 2019.
Obligations Asset renewal O1 - Asset renewal compared to depreciation [Asset renewal expense / Asset depreciation] x 100	155.87%	126.02%	Retired in 2019/20	Retired in 2019/20					This indicator was replaced by O5 from 1 July 2019.

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 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 Budget on 23 June 2021 and which form part of Council's Plan. Council's Budget 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 2021/22 Budget can be obtained by visiting Council's website www.towong.vic.gov.au or is available for viewing at the Tallangatta or Corryong offices.

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*).



Mr Blair Phillips, Certified Practising Accountant

Principal Accounting Officer

Friday 26 November 2021

In our opinion, the accompanying Performance Statement of Towong 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.

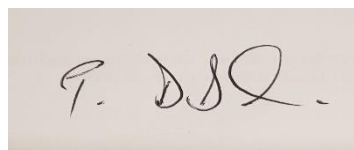
We have been authorised by the Council and by the *Local Government (Planning and Reporting) Regulations 2014* to certify this Performance Statement in its final form.



Cr David Wortmann

Mayor

Friday 26 November 2021



Cr Peter Dikschei

Deputy Mayor

Friday 26 November 2021



Ms Juliana Phelps

Chief Executive Officer

Friday 26 November 2021

Auditor General’s Report - Performance Statement



Independent Auditor’s Report

To the Councillors of Towong Shire Council

Opinion	<p>I have audited the accompanying performance statement of Towong Shire Council (the council) which comprises the:</p> <ul style="list-style-type: none"> • description of the 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 the certification of the performance statement. <p>In my opinion, the performance statement presents fairly, in all material respects, the performance of the council for the year ended 30 June 2021 in accordance with the performance reporting requirements of Part 6 of the <i>Local Government Act 1989</i>.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the <i>Auditor’s Responsibilities for the Audit of the performance statement</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. 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>
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>

Level 31 / 35 Collins Street, Melbourne Vic 3000
T 03 8601 7000 enquiries@audit.vic.gov.au www.audit.vic.gov.au

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of this performance statement.

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

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

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

MELBOURNE
26 November 2021



Sanchu Chummar
as delegate for the Auditor-General of Victoria

Financial Statements

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, Australian Accounting Standards and other mandatory professional reporting requirements.



Mr Blair Phillips, Certified Practicing Accountant

Principal Accounting Officer

Friday 26 November 2021

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

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

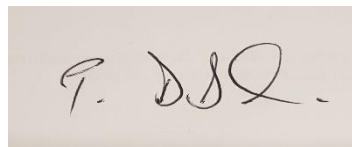
We have been authorised by Council and by the Local Government (Planning and Reporting) Regulations 2014 to certify the financial statements in their final form.



Cr David Wortmann

Mayor

Friday 26 November 2021



Cr Peter Dikschei

Deputy Mayor

Friday 26 November 2021



Ms Juliana Phelps

Chief Executive Officer

Friday 26 November 2021

Auditor General's Report – Financial Statements



Independent Auditor's Report

To the Councillors of Towong Shire Council

Opinion	<p>I have audited the financial report of Towong Shire Council (the council) which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 30 June 2021 • comprehensive income statement for the year then ended • statement of changes in equity for the year then ended • statement of cashflows for the year then ended • statement of capital works for the year then ended • notes to the financial statements, including significant accounting policies • certification of the financial report. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2021 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 6 of the <i>Local Government Act 1989</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's <i>APES 110 Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Councillors' responsibilities for the financial report	<p>The Councillors of the council are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Local Government Act 1989</i>, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Councillors are responsible for assessing the council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

Auditor's responsibilities for the audit of the financial report

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

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

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

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

MELBOURNE
26 November 2021



Sanchu Chummar

as delegate for the Auditor-General of Victoria

Comprehensive Income Statement for the year ended 30 June 2021

	Note	2021 \$'000	2020 \$'000
Income			
Rates and charges	3.1	9,227	9,199
Statutory fees and fines	3.2	316	204
User fees	3.3	1,217	1,108
Grants – operating	3.4	10,586	14,265
Grants – capital	3.4	4,059	1,657
Net gain/ (loss) on disposal of property, infrastructure, plant and equipment	3.5	101	(4)
Fair value adjustments for investment property	6.3	37	20
Share of net profit/(loss) of joint arrangements	6.2	-	33
Other income	3.6	4,105	1,452
Total income		29,648	27,935
Expenses			
Employee costs and benefits	4.1	8,834	7,293
Materials and services	4.2	11,479	12,118
Depreciation and amortisation	4.3	4,155	4,138
Amortisation – intangible assets	4.4	-	193
Amortisation – right of use asset	5.8	26	26
Borrowing costs	4.6	17	14
Finance costs - leases	4.7	8	11
Other expenses	4.8	174	214
Total expenses		24,693	24,006
Surplus/(Deficit)		4,955	3,929
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods		-	-
Comprehensive result		4,955	3,929

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

Balance Sheet as at 30 June 2021

	Note	2021 \$'000	2020 \$'000
Assets			
Current assets			
Cash and cash equivalents	5.1(a)	5,942	6,742
Other financial assets	5.1(b)	31,533	23,521
Trade and other receivables	5.1(c)	2,022	642
Inventories	5.2(a)	302	294
Other assets	5.2(b)	85	248
Total current assets		39,884	31,447
Non-current assets			
Trade and other receivables	5.1(c)	58	87
Investments in joint arrangements	6.2	78	78
Property, infrastructure, plant and equipment	6.1	200,731	199,177
Right of use asset	5.8	286	312
Investment property	6.3	1,132	1,095
Total non-current assets		202,285	200,749
Total assets		242,169	232,196
Liabilities			
Current liabilities			
Trade and other payables	5.3(a)	384	962
Trust funds and deposits	5.3(b)	880	897
Unearned income	5.3(c)	7,246	1,678
Provisions	5.5	1,701	1,553
Interest-bearing liabilities	5.4	4	-
Lease liabilities	5.8	58	56
Total current liabilities		10,273	5,146
Non-current liabilities			
Provisions	5.5	943	989
Interest-bearing liabilities	5.4	-	4
Lease liabilities	5.8	127	185
Total non-current liabilities		1,070	1,178
Total liabilities		11,343	6,324
Net Assets		230,826	225,872
Equity			
Accumulated surplus		114,893	109,938
Reserves	9.1	115,933	115,933
Total Equity		230,826	225,872

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

Statement of Changes in Equity for the year ended 30 June 2021

	Note	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000
2021				
Balance at beginning of the financial year		225,872	109,938	115,933
Surplus/(deficit) for the year		4,955	4,955	-
Balance at end of the financial year		230,826	114,893	115,933
2020				
Balance at beginning of the financial year		221,942	106,009	115,933
Surplus/(deficit) for the year		3,929	3,929	-
Balance at end of the financial year		225,872	109,938	115,933

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

Statement of Cash Flows for the year ended 30 June 2021

	Note	2021 Inflows/ (Outflows) \$'000	2020 Inflows/ (Outflows) \$'000
Cash flows from operating activities			
Rates and charges		8,295	10,096
Statutory fees and fines		316	204
User fees		1,217	1,108
Grants – operating		10,586	14,265
Grants – capital		4,059	1,658
Interest		280	483
Other receipts		3,192	1,809
Net trust funds and deposits		(17)	564
Net GST refund/(payment)		266	173
Payments to suppliers		(6,611)	(10,673)
Payments to employees		(8,681)	(7,271)
Net cash provided by (used in) operating activities	9.2	12,902	12,589
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment	6.1	(5,714)	(5,468)
Proceeds from sale of property, infrastructure, plant and equipment	3.5	103	110
Payments for investments		(8,011)	(5,521)
Net cash provided by (used in) investing activities		(13,621)	(10,879)
Cash flows from financing activities			
Finance costs		(17)	(16)
Repayment of borrowings		-	(7)
Interest paid – Lease liabilities		(8)	(10)
Repayment of lease liabilities		(56)	(54)
Net cash provided by (used in) financing activities		(81)	(87)
Net increase/ (decrease) in cash and cash equivalents		(800)	1,623
Cash and cash equivalents at the beginning of the financial year		6,742	5,119
Cash and cash equivalents at the end of the financial year	5.1(a)	5,942	6,742
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

	Note	2021 \$'000	2020 \$'000
Property			
Buildings		1,290	1,251
Total Buildings		1,290	1,251
Total Property		1,290	1,251
Plant and equipment			
Plant, machinery and equipment		783	1,023
Computer equipment		97	32
Library books		27	31
Total plant and equipment		907	1,086
Infrastructure			
Roads		1,425	2,151
Bridges		808	123
Footpaths and cycleways		99	29
Kerb and channel		17	94
Drainage		81	21
Guardrail		11	30
Parks, open space and streetscapes		737	592
Landfill		339	68
Other infrastructure		-	23
Total infrastructure		3,517	3,131
Total capital works expenditure		5,714	5,468
Represented by:			
New asset expenditure		337	414
Asset renewal expenditure		4,109	3,659
Asset upgrade expenditure		1,268	1,395
Asset expansion expenditure		-	-
Total capital works expenditure		5,714	5,468

The above Statement of Capital Works should be read in conjunction with the accompanying notes.

Notes to the Financial Report

Overview

Introduction

Towong 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 32 Towong Street, Tallangatta, Victoria.

Statement of compliance

These financial statements are a general purpose financial report that consists of a Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, Statement of Capital Works and Notes accompanying these financial statements. The general purpose financial report complies with Australian Accounting Standards (AAS), other authoritative pronouncements of the Australian Accounting Standards Board (AASB), 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 property, infrastructure, plant and equipment (refer to Note 6.1);
- the determination of depreciation and amortisation of property, plant and equipment, infrastructure and other assets (refer to 6.1);
- the determination of employee provisions (refer to Note 5.5);
- the determination of landfill rehabilitation 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 Note 5.8)
- other areas requiring judgements.

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on Council based on known information. The consideration extends to the nature of services offered, facilities and assets Council manages and operates, Council staffing, ratepayers and the geographic area that Council operates in. The key area of estimate and judgement associated with COVID-19 and Council's financial statements, is detailed in Note 6.1 regarding fair value of property, infrastructure, plant and equipment.

Unless otherwise stated, all accounting policies are consistent with those applied in the prior year. Where appropriate, comparative figures have been amended to accord with current presentation (except where transitional requirements of *AASB 15 Revenue from Contract with Customers*, *AASB Leases* and *AASB 1058 Income for No-for-Profit Entities* do not require restatement of comparatives under the modified retrospective approach adopted by the Council), and disclosure has been made of any material changes to comparatives.

Unless otherwise stated, amounts in the financial report have been rounded to the nearest thousand dollars. Figures in the financial statement may not equate due to rounding.

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 financial year, Council has noted there has been no significant impacts on its financial operations.

Note 1. Performance against budget

The performance against budget notes compares 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 \$100,000 or 10% 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. Positive variances are favourable to Council's financial position whilst negative variances are unfavourable to Council's financial position.

The budget figures detailed below are those adopted by Council on 25 August 2020. The Budget was based on assumptions that were relevant at the time of adoption of the Budget. Council sets guidelines and parameters for revenue and expense targets in this budget in order to meet Council's planning and financial performance targets for both the short and long-term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

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

1.1. Income and expenditure

	Actual 2021 \$'000	Budget 2021 \$'000	Variance		Ref
			\$'000	%	
Income					
Rates and charges	9,227	9,234	(7)	-%	
Statutory fees and fines	316	190	126	66%	1
User fees	1,217	881	336	38%	2
Grants – operating (recurrent)	6,196	3,143	3,053	97%	3
Grants – operating (non-recurrent)	4,390	781	3,609	462%	4
Grants – capital (recurrent)	1,199	1,166	33	3%	
Grants – capital (non-recurrent)	2,860	919	1,941	211%	5
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	101	-	101	-%	6
Fair value adjustments for investment property	37	-	37	-%	
Share of net profits/(loss) of joint arrangement	-	-	-	-%	
Other income	4,105	553	3,552	642%	7
Total income	29,648	16,867	12,781	76%	
Expenses					
Employee costs	8,834	9,423	589	6%	8
Materials and services	11,479	6,436	(5,043)	(78%)	9
Depreciation and amortisation	4,181	4,123	(58)	(1%)	
Borrowing costs	25	24	(1)	(4%)	
Other expenses	174	279	105	38%	10
Total expenses	24,693	20,285	(4,408)	(22%)	
Surplus/ (deficit) for the year	4,955	(3,418)	8,373	(245%)	

Explanation of material variations

Ref	Item	Explanation
1	Statutory fees and fines	There has been a significant increase in planning fees (\$31,000 higher than budget) and building permits (\$81,000 higher than budget) as a result of rebuild efforts following the 2019/20 bushfires.
2	User fees	Childcare fees were \$230,000 higher than budget due to greater than anticipated levels of service utilisation. Resource recovery centre fees were \$94,000 higher than budget with a significant amount of income generated from steel recycling.
3	Grants – operating (recurrent)	Council received approximately 50% or \$2.7 million of the 2021/22 financial assistance grants allocation in June 2021.
4	Grants – operating (non-recurrent)	There were significant levels of grant income received to support the continued recovery efforts from the 2019/20 bushfires (\$2.05 million) as well as the Working for Victoria program (\$650,000).

Ref	Item	Explanation
5	Grants – capital (non-recurrent)	Grants of \$1.1 million have been received under the newly announced Local Roads Community Infrastructure Program.
6	Net gain/(loss) on disposal of property, infrastructure, plant and equipment	Council does not budget for gains or losses on disposal of property, infrastructure, plant and equipment.
7	Other income	Substantial reimbursements towards bushfire recovery costs were received from Disaster Recovery Funding Arrangements (\$2.9 million) and insurance claims (\$404,000).
8	Employee costs	There were savings in employee costs due to there being a number of positions vacant throughout the year.
9	Materials and services	Unanticipated costs incurred included contractors used to support bushfire recovery (\$2.9 million), garbage disposal costs due to the bushfire-damaged Corryong landfill being inoperable (\$1.2 million), and one-off projects including community recovery grants (\$532,000), the reclaimed water Corryong project (\$425,000), the Local Councils Outdoor Eating and Entertaining package (\$250,000) and the Cudgewa Netball Court upgrade (\$195,000).
10	Other expenses	Approximately \$90,000 of expenditure was reclassified from Other expenses to the Materials and services category.

It should be noted that due to the accounting standard requirements for revenue recognition, a number of grants totalling \$7.2 million have been received, however cannot be recognised as income until the requirements are met. This amount is being held on the balance sheet as unearned income.

1.2. Capital works

	Actual	Budget	Variance		Ref
	2021	2021	\$'000	%	
	\$'000	\$'000	\$'000	%	
Property					
Buildings	1,290	1,734	444	26%	1
Total buildings	1,290	1,734	444	26%	
Total property	1,290	1,734	444	26%	
Plant and equipment					
Plant, machinery and equipment	783	1,137	354	31%	2
Library books	27	30	3	10%	
Computers and telecommunications	97	499	402	81%	3
Total plant and equipment	907	1,666	759	46%	
Infrastructure					
Roads	1,425	6,146	4,721	77%	4
Bridges	808	178	(630)	(354%)	5
Footpaths	99	140	41	29%	6
Kerb and channel	17	30	13	43%	7
Drainage	81	110	29	26%	8
Guardrail	11	30	19	63%	9
Landfill	339	135	(204)	(151%)	10
Parks, open space and streetscapes	737	703	(34)	(5%)	
Other infrastructure	-	268	268	100%	11
Total infrastructure	3,517	7,740	4,223	55%	
Total capital works expenditure	5,714	11,140	5,426	49%	
Represented by:					
New asset expenditure	337	923	586	63%	
Asset renewal expenditure	4,109	4,280	171	4%	
Asset upgrade expenditure	1,268	5,937	4,669	79%	
Total capital works expenditure	5,714	11,140	5,426	49%	

Explanation of material variations

Ref	Item	Explanation
1	Buildings	Delays were incurred across selected projects due to COVID-19, including the Colac Colac Caravan Park amenities upgrade (\$624,000) and Tallangatta Holiday Park (Stage 2) (\$157,000). Outdoor play spaces at the Corryong and Tallangatta kindergartens (\$202,000) were not budgeted however were fully funded via grants.
2	Plant, machinery and equipment	The tipper truck replacement was not purchased and will be carried forward into 2021/22.
3	Computers and telecommunications	The wireless infrastructure project (\$300,000) and finance system (\$162,000) will be carried forward to 2021/22.
4	Roads	Delays were incurred across selected projects due to COVID-19, including the Hanson Street Corryong upgrade (\$3.4 million), Mitta streetscape (\$425,000), Georges Creek Road – Sections 1 and 2 (\$215,000) and Wisers Creek Road (\$180,000).
5	Bridges	A number of bridges were renewed in 2020/21 due to receiving unbudgeted funding. Touzels Bridge was reinstated due it being damaged in the 2019/20 bushfires.
6	Footpaths	The strategic path links project of \$95,000 will be carried forward to 2021/22.
7	Kerb and channel	A lower than anticipated level of kerb and channel works were carried out than anticipated.
8	Drainage	Drainage works carried out were lower than anticipated.
9	Guardrail	Guardrail works carried out were lower than anticipated.
10	Landfill	Works to reinstate Cell #2 due to damage sustained in the 2019/20 bushfires have been undertaken and are awaiting final sign off. Preliminary works have also begun on the designs of future landfill cells. It is anticipated that the reinstatement costs of approximately \$270,000 will be reimbursed by Council's insurers.
11	Other infrastructure	The infrastructure expansion project in Corryong (\$268,000) did not progress due to COVID-19 and will be carried forward to 2021/22.

Note 2. Council results by program

2.1 Analysis of Council results by program

Council delivers its functions and activities through the following programs.

Organisational improvement - Embed organisational excellence into our governance and management processes to deliver the best possible outcomes for our residents and ratepayers.

Community wellbeing - Assist all residents to attain a high level of health and safety, resilience and connectedness to their communities.

Asset management - Maintain and improve our Shire's infrastructure to meet agreed levels of service.

Land-use planning - Implement a strategic and sustainable long-term land-use direction for the Shire based on an integrated approach to the natural and built environment.

Environmental sustainability - Integrate sustainable environmental management practices into all of our activities.

Economic and tourism development - Expand employment and economic opportunities whilst continuing to maintain and promote our natural environment and the lifestyle our municipality offers.

Summary of revenue, expenses, assets and capital expenses by program

2021	Income	Expenses	Surplus/ (deficit)	Grants (included in income)	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
Organisational improvement	12,126	(3,607)	8,518	3,515	42,744
Community wellbeing	2,739	(2,330)	409	1,930	10,818
Asset management	6,985	(10,659)	(3,674)	6,658	180,122
Land-use planning	79	(374)	(294)	-	-
Environmental sustainability	1,818	(2,351)	(533)	11	1,691
Relief and recovery	5,380	(4,791)	589	2,110	88
Economic and tourism development	521	(581)	(60)	421	6,705
Total	29,648	(24,693)	4,955	14,645	242,169

2020	Income	Expenses	Surplus/ (deficit)	Grants (included in income)	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
Organisational improvement	11,945	(7,923)	4,022	3,132	34,280
Community wellbeing	2,063	(1,899)	164	1,404	10,976
Asset management	4,848	(7,493)	(2,645)	4,292	178,140
Land-use planning	78	(223)	(145)	-	-
Environmental sustainability	1,760	(840)	920	-	1,767
Relief and recovery	6,866	(5,273)	1,593	6,796	112
Economic and tourism development	375	(356)	19	298	6,921
Total	27,935	(24,006)	3,929	15,923	232,196

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 value of the land and capital improvements on the land.

The valuation base used to calculate general rates for 2020/21 was \$1.759 million (2019/20 \$1.644 million). The 2020/21 rate in the CIV dollar was 0.3500 cents to 1.4000 cents (2019/20 0.3740 cents to 1.4958 cents).

	2021 \$'000	2020 \$'000
Residential general rates	1,382	1,410
Business general rates	167	178
Rural residential general rates	1,084	1,070
Rural general rates	3,759	3,725
Undeveloped residential general rates	122	117
Municipal charge	1,223	1,213
Kerbside collection charge	1,040	1,040
Waste facilities management charge	399	395
Revenue in lieu of rates	51	51
Total rates and charges	9,227	9,199

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2020, and the valuation was first applied in the rating year commencing 1 July 2020.

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

3.2 Statutory fees and fines

	2021 \$'000	2020 \$'000
Land information certificates	11	7
Health registration fees	39	28
Permits	185	92
Town planning fees	81	77
Total statutory fees and fines	316	204

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

3.3 User fees

	2021 \$'000	2020 \$'000
Children's program fees	772	606
External private works	9	6
Refuse disposal fees	276	239
Saleyard dues	11	29
Septic tank fees	11	9
Swimming pool fees	28	47
Other fees and charges	110	172
Total user fees	1,217	1,108

User fees by timing of revenue recognition

	2021 \$'000	2020 \$'000
User fees recognised at a point in time	1,217	1,108
Total user fees	1,217	1,108

User fees are recognised as revenue at a point in 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:

	2021 \$'000	2020 \$'000
Summary of grants		
Commonwealth funded grants	8,157	8,506
State funded grants	6,488	7,417
Total	14,645	15,923
a) Operating Grants		
Recurrent - Commonwealth Government		
Financial Assistance Grants – General Purpose	3,367	3,072
Financial Assistance Grants – Local Roads	1,861	1,817
Recurrent - State Government		
Family and children	769	668
Community	114	111
Emergency services	73	60
School crossing supervisors	12	19
Total recurrent operating grants	6,196	5,747
Non-recurrent – Commonwealth Government		
Family and children	325	129
Recreation	40	-
Infrastructure	-	600
Bushfire relief and recovery	-	1,275
Economic development	95	-
Non-recurrent – State Government		
Community	111	186
Family and children	591	310
Infrastructure	1,052	380
Environment	49	34
Corporate	15	-
Information technology	77	-
Recreation	51	-
Flood	-	55
Bushfire relief and recovery	1,658	5,521
Economic development	326	28
Total non-recurrent operating grants	4,390	8,518
Total operating grants	10,586	14,265

	2021 \$'000	2020 \$'000
b) Capital Grants		
Recurrent – Commonwealth Government		
Roads to Recovery	1,199	1,133
Total recurrent capital grants	1,199	1,133
Non-recurrent – Commonwealth Government		
Infrastructure	1,270	479
Non-recurrent – State Government		
Infrastructure (buildings)	-	45
Other infrastructure	1,590	-
Total non-recurrent capital grants	2,860	524
Total capital grants	4,059	1,657
Total Grants	14,645	15,923

	2021 \$'000	2020 \$'000
c) Unspent grants received on condition that they be spent in a specific manner		
Operating		
Balance at start of year	5,465	1,231
Received during the financial year and remained unspent at balance date	2,656	4,834
Received in prior years and spent during the financial year	(2,592)	(600)
Unspent operating grants at year end	5,529	5,465
Capital		
Balance at start of year	1,880	1,554
Received during the financial year and remained unspent at balance date	8,055	1,056
Received in prior years and spent during the financial year	(145)	(730)
Unspent capital grants at year end	9,790	1,880
Total unspent grants at year end	15,319	7,345

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

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

	2021 \$'000	2020 \$'000
Proceeds of sale	103	110
Written down value of assets disposed	(3)	(114)
Total net gain/ (loss) on disposal of property, infrastructure, plant and equipment	101	(4)

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

3.6 Other income

	2021 \$'000	2020 \$'000
Interest	228	418
Interest on rates	-	51
Community contributions	21	382
Other rent	110	89
Shared service	144	132
Secretariat fees	-	173
Insurance reimbursement - 2019/20 bushfires	404	-
Disaster Recovery Funding Arrangements – 2019/20 bushfires	2,964	-
Other	234	207
Total other income	4,105	1,452

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 costs of delivering services

4.1 a) Employee costs and benefits

	2021 \$'000	2020 \$'000
Wages and salaries	7,113	5,792
WorkCover	104	132
Annual leave and long service leave	889	754
Superannuation	716	584
Fringe benefits tax	12	31
Total employee benefits	8,834	7,293

b) Superannuation

Council made contributions to the following funds:

	2021 \$'000	2020 \$'000
Defined benefit funds		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	42	48
	42	48
Employer contributions payable at reporting date	-	-
Accumulation funds		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	249	232
Employer contributions to other funds	419	265
	668	497
Employer contributions payable at reporting date	-	69
Total Superannuation	710	614

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

4.2 Materials and services

	2021 \$'000	2020 \$'000
Materials and services	5,295	8,002
Contract payments	4,254	2,424
Maintenance – buildings, towns, parks and gardens	1,017	962
Plant and equipment maintenance	767	559
Utilities	146	171
Total materials and services	11,479	12,118

Refer to Note 1.1 for further information on variances above.

4.3 Depreciation

	2021 \$'000	2020 \$'000
Property	821	796
Plant and equipment	611	541
Infrastructure	2723	2,801
Total depreciation	4,155	4,138

Refer to Note 5.2(c) and 6.1 for a more detailed breakdown of depreciation and amortisation charges and accounting policy.

4.4 Amortisation – Intangible assets

	2021 \$'000	2020 \$'000
Landfill airspace amortisation	-	193
Total amortisation – Intangible assets	-	193

4.5 Bad and doubtful debts

	2021 \$'000	2020 \$'000
Sundry debtors	-	-
Total bad and doubtful debts	-	-

Provision for doubtful debt is recognised based on expected credit loss model. This model considers both historic and forward-looking information in determining the level of impairment.

Council does not currently hold a provision for bad or doubtful debts based on its assessment of the credit loss model.

4.6 Borrowing costs

	2021 \$'000	2020 \$'000
Bank fees	17	14
Interest - Loans	-	-
Total borrowing costs	17	14

Borrowing costs are recognised as an expense in the period in which they are incurred, except where they are capitalised as part of a qualifying asset constructed by Council.

4.7 Finance costs – Leases

	2021 \$'000	2020 \$'000
Interest – Lease liabilities	8	11
Total finance costs	8	11

4.8 Other expenses

	2021 \$'000	2020 \$'000
Auditors' remuneration – Victorian Auditor General's Office (VAGO) – audit of Financial Statements, Performance Statement and grant acquittals	29	27
Councillors' allowances	145	187
Total other expenses	174	214

Note 5. Our financial position

5.1 Financial assets

a) Cash and cash equivalents

	2021 \$'000	2020 \$'000
Cash on hand	1	1
Cash at bank	2,241	659
Money market call account	3,700	6,082
Total cash and cash equivalents	5,942	6,742

b) Other financial assets

	2021 \$'000	2020 \$'000
Term deposits (current)	31,533	23,521
Total other financial assets	31,533	23,521

Cash and cash equivalents include cash on hand, deposits at call and other highly liquid investments with original maturities of 90 days or less, net of outstanding bank overdrafts. Other financial assets are valued at fair value at balance date.

Term deposits are measured at original cost. Any unrealised gains and losses on holdings at balance date are recognised as either a revenue or expense.

	2021 \$'000	2020 \$'000
Council's cash and cash equivalents are subject to a number of internal and external restrictions that limit amounts available for discretionary or future use. These include:		
- Trust funds and deposits (Note 5.3b)	880	897
Restricted Funds	880	897
Total unrestricted cash and cash equivalents	5,062	5,845
Intended allocations		
Although not externally restricted the following amount has been allocated for specific future purposes by Council:		
- Unspent conditional grants received (Note 3.4(c))	15,319	7,345
- Cash held to fund carried forward capital works	5,426	5,824
- Cash held to fund future defined benefits call	500	500
	21,245	13,669

c) Trade and other receivables

	2021 \$'000	2020 \$'000
Current		
<i>Statutory receivables</i>		
Rates debtors	810	(61)
Walwa Waste Water Supply Scheme debtors	22	16
Eskdale Water Supply Scheme debtors	3	3
Fire Services Property Levy debtors	198	137
<i>Other debtors</i>		
Sundry debtors	1,135	427
Net GST receivable/(payable)	(146)	120
Total current trade and other receivables	2,022	642
Non-current		
<i>Statutory receivables</i>		
Walwa Waste Water Supply Scheme debtors	58	85
Eskdale Water Supply Scheme debtors	-	2
Total non-current trade and other receivables	58	87
Total trade and other receivables	2,080	729

d) Ageing of sundry debtors

Short-term receivables are carried at invoice amount. At balance date, sundry debtors representing financial assets were past due but not impaired. These amounts relate to a number of independent customers for whom there is no recent history of default. The ageing of Council's trade receivables (excluding statutory receivables) was:

	2021 \$'000	2020 \$'000
Current (not yet due)	663	274
Past due by up to 30 days	13	14
Past due between 31 and 180 days	320	7
Past due between 181 and 365 days	-	132
Past due by more than 1 year	139	-
Total sundry debtors	1,135	427

5.2 Non-financial assets

a) Inventories

	2021 \$'000	2020 \$'000
Inventories held for distribution	302	294
Total inventories	302	294

Inventories held for distribution are measured at cost, adjusted when applicable for any loss of service potential.

b) Other assets

	2021 \$'000	2020 \$'000
Current		
Prepayments	45	156
Accrued interest income	40	92
Total other assets	85	248

	Landfill \$'000
Gross carrying amount	
Balance at 1 July 2020	928
Reclassification	-
Additions	-
Balance at 30 June 2021	928
Accumulated amortisation and impairment	
Balance at 1 July 2020	(928)
Reclassification	-
Amortisation expense	-
Balance at 30 June 2021	(928)
Net book value at 30 June 2020	-
Net book value at 30 June 2021	-

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

	2021 \$'000	2020 \$'000
Trade payables	(1)	-
Accrued wages	112	61
Other payables	68	122
Accrued expenses	205	779
Total trade and other payables	384	962

b) Trust funds and deposits

	2021 \$'000	2020 \$'000
Retention amounts	158	152
Fire Services Property Levy	683	702
Refundable deposits	39	43
Total trust funds and deposits	880	897

c) Unearned income

	2021 \$'000	2020 \$'000
Grants received in advance – operating	189	-
Grants received in advance - capital	7,057	1,678
Other		-
Total unearned income	7,246	1,678

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

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

Fire Services Property Levy - Council is the collection agent for the Fire Services Property Levy on behalf of the State Government. Council remits amounts received on a quarterly basis. Amounts disclosed here will be remitted to the State Government in accordance with that process.

Refundable deposits - Deposits are taken by Council as a form of surety in a number of circumstances, including in relation to building works, tender deposits, contract deposits and the use of civic facilities.

5.4 Interest-bearing liabilities

	2021 \$'000	2020 \$'000
Current		
Borrowings	4	-
Finance lease	-	-
	4	-
Non-current		
Borrowings	-	4
Finance lease	-	-
	-	4
Total interest-bearing liabilities	4	4

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.

	2021 \$'000	2020 \$'000
Borrowings are secured by Council rates.		
i. The maturity profile for Council's borrowings is:		
Not later than one year	4	-
Later than one year and not later than five years	-	4
Later than five years	-	-
	4	4

5.5 Provisions

	Employee \$'000	Landfill restoration \$'000	Total \$'000
2021			
Balance at beginning of the financial year	1,683	859	2,542
Additional provisions	815	-	815
Amounts used	(713)	-	(713)
Balance at the end of the financial year	1,785	859	2,644
2020			
Balance at beginning of the financial year	1,498	859	2,357
Additional provisions	814	-	814
Amounts used	(629)	-	(629)
Balance at the end of the financial year	1,683	859	2,542

	2021 \$'000	2020 \$'000
Current provisions		
Employee provisions	1,701	1,553
Total current provisions	1,701	1,553
Non-current provisions		
Employee provisions	84	130
Landfill restoration	859	859
Total non-current provisions	943	989
Total provisions	2,644	2,542

(a) Employee provisions

	2021 \$'000	2020 \$'000
Current provisions expected to be wholly settled within 12 months		
Annual leave	565	477
Long service leave	108	103
Flexi time	57	49
	730	629
Current provisions expected to be wholly settled after 12 months		
Long service leave (90% of current LSL provision)	971	924
	971	924
Total current employee provisions	1,701	1,553
Non-current		
Long service leave	84	130
Total non-current employee provisions	84	130
Aggregate carrying amount of employee benefits:		
Current	1701	1,553
Non-current	84	130
Total aggregate carrying amount of employee provisions	1,785	1,683

The calculation of employee costs and benefits includes all relevant on-costs and are calculated at reporting date using assumptions for wage inflation and discount rates per the long service leave update issued by the Department of Treasury and Finance at 30 June 2021.

Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulated flexi time 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 non-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 is recognised in the provision for employee benefits. Long service leave is measured at present value. Unconditional long service is disclosed as a current liability. Conditional long service leave that has been accrued, where an employee is yet to reach a qualifying term of employment, is disclosed as a non-current liability.

(b) Landfill restoration

	2021 \$'000	2020 \$'000
Current	-	-
Non-current	859	859
Total	859	859

Council is obligated to restore the Corryong Landfill site located on Sugarloaf Road Corryong to an agreed 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.

5.6 Financing arrangements

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

	2021 \$'000	2020 \$'000
Master lease	400	400
Credit card facility	25	25
Total facilities	425	425
Used facilities	190	248
Unused facilities	235	177

5.7 Commitments

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

2021	Not later than 1 year	1 to 2 years	2 to 5 years	Later than 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Operating					
Landfill site lease	38	40	85	-	162
Total	38	40	85	-	162
Capital					
Georges Creek Road	780	-	-	-	780
Colac Colac Caravan Park	889	-	-	-	889
Tallangatta Swimming Pool	231	-	-	-	231
Total	1,900	-	-	-	1,900

2020	Not later than 1 year	1 to 2 years	2 to 5 years	Later than 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Operating					
Landfill site lease	24	-	-	-	24
Total	24	-	-	-	24
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. 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.

Council did not have any peppercorn leases for the 2019/20 and 2020/21 reporting periods.

Right-of-use assets

	2021 \$'000	2020 \$'000
Opening balance	312	338
Additions	-	-
Amortisation on right-of-use asset	(26)	(26)
Closing balance	286	312

Lease liabilities

Maturity analysis – contractual undiscounted cash flows:

	2021 \$'000	2020 \$'000
Less than one year	58	56
One to five years	127	185
More than five years	-	-
Total undiscounted lease liabilities as at 30 June	185	241

Lease liabilities included in the Balance sheet at 30 June:

	2021 \$'000	2020 \$'000
Current	58	56
Non-current	127	185
Total undiscounted lease liabilities as at 30 June	185	241

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.

Expenses relating to:

	2021 \$'000	2020 \$'000
Short-term leases	-	24
Lease of low value assets	-	-
Balance at 30 June	-	24

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

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

	2021 \$'000	2020 \$'000
Payable:		
Within one year	-	24
Later than one year but not later than five years	-	-
More than five years	-	-
Total lease commitments	-	24

Note 6. Assets we manage

6.1 Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment

	At fair value 30 June 2020	Acquisitions	Revaluation	Change in accounting policy	Depreciation	Disposal	Transfers	Reclassific ation	At fair value 30 June 2021
	\$'000	\$'000	\$'000		\$'000	\$'000	\$'000	\$'000	\$'000
Property	33,347	-	-	-	(821)	-	577	-	33,102
Plant and equipment	3,227	907	-	-	(611)	(3)	-	-	3,520
Infrastructure	162,416	-	-	-	(2,723)	-	2,454	-	162,147
Work in progress	187	4,807	-	-	-	-	(3,031)	-	1,963
	199,177	5,714	-	-	(4,155)	(3)	-	-	200,731

Summary of work in progress (WIP)

	Opening WIP \$'000	Additions \$'000	Transfers \$'000	Reclassification \$'000	Closing WIP \$'000
Property	118	1,290	(577)	-	831
Plant and equipment	-	-	-	-	-
Infrastructure	69	3,517	(2,454)	-	1,133
	187	4,807	(3,031)	-	1,963

a) Property

Property	Land - specialised \$'000	Land – non specialised \$'000	Total Land \$'000	Buildings \$'000	Total land and buildings \$'000	Work in progress (WIP) \$'000	Total property including WIP \$'000
At fair value 1 July 2020	7,236	4,791	12,027	34,690	46,717	118	46,835
Accumulated depreciation at 1 July 2020	-	-	-	(13,371)	(13,371)	-	(13,371)
Written down value at 1 July 2020	7,236	4,791	12,027	21,319	33,346	118	33,464
Movements in fair value							
Additions	-	-	-	-	-	1,290	1,290
Revaluation increments/ (decrements)	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Transfers	-	-	-	577	577	(577)	-
Reclassification	-	-	-	-	-	-	-
Total movements in fair value	-	-	-	577	577	713	1,290
Movements in accumulated depreciation							
Depreciation	-	-	-	(821)	(821)	-	(821)
Revaluation increments/ (decrements)	-	-	-	-	-	-	-
Accumulated depreciation of disposals	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
Reclassification	-	-	-	-	-	-	-
Total movements in accumulated depreciation	-	-	-	(821)	(821)	-	(821)
At fair value 30 June 2021	7,236	4,791	12,027	35,267	47,294	831	48,125
Accumulated depreciation at 30 June 2021	-	-	-	(14,192)	(14,192)	-	(14,192)
Written down value at 30 June 2021	7,236	4,791	12,027	21,075	33,102	831	33,933

b) Plant and equipment

Plant and equipment	Plant, machinery and equipment	Fixtures, fittings and furniture	Computers	Library books	Total plant and equipment
	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2020	7,468	29	441	150	8,088
Accumulated depreciation at 1 July 2020	(4,395)	(20)	(403)	(43)	(4,861)
Written down value at 1 July 2020	3,073	9	38	107	3,227
Movements in fair value					
Additions	783	-	97	27	907
Revaluation increments/ (decrements)	-	-	-	-	-
Disposals	(430)	-	-	-	(430)
Reclassification to Right of use assets	-	-	-	-	-
Transfers	-	-	-	-	-
Total movements in fair value	353	-	97	27	477
Movements in accumulated depreciation					
Depreciation	(560)	(3)	(26)	(22)	(611)
Revaluation increments/ (decrements)	-	-	-	-	-
Accumulated depreciation of disposals	427	-	-	-	427
Reclassification to Right of use assets	-	-	-	-	-
Transfers	-	-	-	-	-
Total movements in accumulated depreciation	(133)	(3)	(26)	(22)	(184)
At fair value 30 June 2021	7,821	29	538	177	8,565
Accumulated depreciation at 30 June 2021	(4,528)	(23)	(429)	(65)	(5,045)
Written down value at 30 June 2021	3,293	6	109	112	3,520

c) Infrastructure

Infrastructure	Roads	Bridges	Footpaths	Drainage	Kerb and channel	Parks, open spaces and streetscapes	Landfill	Other infrastructure	Total infrastructure	Work in progress	Total infrastructure including WIP
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2020	177,308	23,321	2,845	9,262	8,335	2,248	543	309	224,171	69	224,240
Accumulated depreciation at 1 July 2020	(41,700)	(10,176)	(1,118)	(3,962)	(4,023)	(205)	(466)	(105)	(61,755)	-	(61,755)
Written down value at 1 July 2020	135,608	13,145	1,727	5,300	4,312	2,043	77	204	162,416	69	162,485
Movements in fair value											
Additions	-	-	-	-	-	-	-	-	-	3,517	3,517
Revaluation increments/ (decrements)	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-
Transfers	1,436	808	99	81	17	13	-	-	2,454	(2,454)	-
Reclassification	-	-	-	-	-	-	-	-	-	-	-
Total movements in fair value	1,436	808	99	81	17	13	-	-	2,454	1,063	3,517
Movements in accumulated depreciation											
Depreciation	(2,161)	(204)	(43)	(78)	(93)	(113)	(8)	(23)	(2,723)	-	(2,723)
Revaluation increments/ (decrements)	-	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation of disposals	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-	-
Reclassification	-	-	-	-	-	-	-	-	-	-	-
Total movements in accumulated depreciation	(2,161)	(204)	(43)	(78)	(93)	(113)	(8)	(23)	(2,723)	-	(2,723)
At fair value 30 June 2021	178,744	24,129	2,944	9,343	8,352	2,261	543	309	226,625	1,132	227,757
Accumulated depreciation at 30 June 2021	(43,861)	(10,380)	(1,161)	(4,040)	(4,116)	(318)	(474)	(128)	(64,478)	-	(64,478)
Written down value at 30 June 2021	134,883	13,749	1,783	5,303	4,236	1,943	69	181	162,147	1,132	163,279

Acquisition

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

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

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

Asset recognition thresholds and depreciation periods

	2021	2020
Buildings		
buildings	50 years	50 years
Plant and Equipment		
vehicles	5 years	5 years
utilities	8 years	8 years
trucks (less than 3.5 t)	12 years	12 years
trucks (greater than 3.5 t)	15 years	15 years
front end loaders, backhoes and tractors	9 years	9 years
graders and dozers	10 years	10 years
rollers	15 years	15 years
mowers	5 years	5 years
trailers (less than 4.5 t)	10 years	10 years
trailers (greater than 4.5 t)	15 years	15 years
other plant	10 years	10 years
minor tools	3 years	3 years
library resources	8 years	8 years
office furniture and telecommunications	3 years	3 years
Infrastructure		
Roads		
sealed pavements	70 years	70 years
unsealed pavements	30 years	30 years
footpaths	68 years	68 years
kerb and channel	90 years	90 years
guardrail	40 years	40 years
Bridges		
bridges	119 years	119 years
added features	80 years	80 years
Drainage		
underground drainage	120 years	120 years

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

Threshold limit	2021 \$'000	2020 \$'000
Land	Nil	Nil
Buildings	5	5
Plant and equipment	1	1
Infrastructure	10	10

Land under roads

Council recognises land under roads it controls at fair value.

Depreciation and amortisation

Property, plant and equipment, infrastructure and other assets having limited useful lives are systematically depreciated over their useful lives to 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.

Repairs and maintenance

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

Valuation of land and buildings

Valuation of land and buildings were undertaken by a qualified independent valuer (Marcus Hann, 62901, of LG Valuation Services Pty Ltd, ABN 77 095 763 625) as at 30 June 2017. The valuation of land and buildings is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Where land use is restricted through existing planning provisions the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the Comprehensive Income Statement.

Valuation of specialised land was undertaken by a qualified independent valuer (Marcus Hann, 62901, of LG Valuation Services Pty Ltd, ABN 77 095 763 625) as at 1 January 2018. 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.

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

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Date of valuation
Land	-	1,011	3,780	30 June 2017
Land under roads	-	-	7,236	1 Jan 2018
Buildings	-	2,326	18,200	30 June 2017
Total	-	3,337	29,216	

Valuation of infrastructure

An independent valuation of Council's roads, footpaths, bridges and kerb and channel assets was performed by Peter Moloney from Moloney Asset Management Systems. The effective date of the valuation is 1 August 2017, for all infrastructure assets other than drainage assets. The valuation is at fair value based on replacement cost less accumulated depreciation as at the date of valuation.

A valuation of Council's drainage assets was performed by Ms Rachael Gadd (B Eng, Dip Ed), Council's Civil Asset Engineer, effective 30 June 2016. The valuation is at fair value based on replacement cost less accumulated depreciation as at the date of valuation.

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

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Date of valuation
Roads	-	-	134,883	1 Aug 2017
Bridges	-	-	13,749	1 Aug 2017
Footpaths and cycleways	-	-	1,783	1 Aug 2017
Drainage	-	-	5,303	30 Jun 2016
Parks, open space and streetscapes	-	-	1,943	30 Jun 2016
Kerb and channel	-	-	4,236	1 Aug 2017
Landfill	-	-	69	30 Jun 2019
Other infrastructure	-	-	181	30 Jun 2016
Total	-	-	162,147	

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 75% and 95%. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values range between \$1,800 and \$318,500.

Specialised buildings are valued using a depreciated replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement cost is calculated per building and ranges from \$4,000 to \$3,186,000. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 5 years to 50 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 11 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.

Reconciliation of specialised land

	2021 \$'000	2020 \$'000
Land under roads	7,236	7,236
Total	7,236	7,236

6.2 Investments in joint arrangements

	2021 \$'000	2020 \$'000
Investments in joint arrangements accounted for by the equity method are:		
- MomentumOne Shared Services Pty Ltd		
<i>A 50% interest is held in MomentumOne Shared Services Pty Ltd.</i>		
Fair value of Council's investment in MomentumOne Shared Services Pty Ltd		
Council's share of accumulated surplus/(deficit)		
Council's share of accumulated surplus/(deficit) at start of year:	43	10
Reported surplus/(deficit) for year		33
Transfers (to) from reserves	-	-
Distributions for the year	-	-
Council's share of accumulated surplus/(deficit) at end of year	43	43
Council's share of reserves		
Council's share of reserves at start of year	-	-
Transfers (to) from reserves	-	-
Council's share of reserves at end of year	-	-
Movement in carrying value of specific investment		
Carrying value of investment at start of year	78	45
Investment in associate (start-up capital)	-	-
Share of surplus/(deficit) for year	-	33
Share of asset revaluation	-	-
Distributions received	-	-
Carrying value of investment at end of year	78	78
Council's share of expenditure commitments		
Operating commitments	-	-
Capital commitments	-	-
Council's share of expenditure commitments	-	-

Joint arrangements

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor has, rather than the legal structure of the joint arrangement.

(i) Joint ventures

Interests in joint ventures are accounted for using the equity method. Under this method, the interests are initially recognised in the balance sheet at cost and adjusted thereafter to recognise Council's share of the post-acquisition profits or losses and movements in other comprehensive income in profit or loss and other comprehensive income respectively.

MomentumOne Shared Services Pty Ltd was established on 29 October 2015 as a joint venture between Alpine Shire Council and Towong Shire Council with each Council holding a 50% share in the company and will share 50% of the post-acquisition profits or losses.

Principles of consolidation

Subsidiaries are all entities over which Council has control. Council controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Council. They are deconsolidated from the date that control ceases.

Council had no controlled entities for this reporting period.

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. Council has one Section 86 Committee of Management, however the transactions are not considered material, therefore have not been included in this financial report.

6.3 Investment property

	2021 \$'000	2020 \$'000
Balance at beginning of financial year	1,095	1,075
Reclassifications	-	-
Additions	-	-
Disposals	-	-
Fair value adjustments	37	20
Balance at end of financial year	1,132	1,095

Investment property is held to generate long-term rental yields. Investment property is measured initially at cost, including transaction costs. Costs incurred subsequent to initial acquisition are capitalised when it is probable that future economic benefit in excess of the originally assessed performance of the asset will flow to the Council. Subsequent to initial recognition at cost, investment property is carried at fair value, determined annually by independent valuers. Changes to fair value are recorded in the Comprehensive Income Statement in the period that they arise.

Valuation of investment property

Valuation of investment property has been determined in accordance with an independent valuation by James Breen of LG Valuation Services Pty Ltd, ABN 77 095 763 625 who has recent experience in the location and category of the property being valued. The valuations are at fair value, based on the market value for the properties at 30 June 2020 and 30 June 2021.

Note 7. People and relationships

7.1 Council and key management remuneration

a) Related parties

Parent entity

Towong Shire Council is the parent entity.

Subsidiaries and Associates

Interests in joint arrangements are detailed in Note 6.2.

b) Key Management Personnel

Details of persons holding the position of Councillor or other members of Key Management Personnel (KMP) at Council at any time during the year are:

• Councillors

- Cr David Wortmann – Mayor - (1 Jul 2020 to 30 Jun 2021)
- Cr Aaron Scales - (1 Jul 2020 to 30 Jun 2021)
- Cr Jennie Star - (1 Jul 2020 to 23 Oct 2020)
- Cr Peter Tolsher - (1 Jul 2020 to 23 Oct 2020)
- Cr Andrew Whitehead - (1 Jul 2020 to 30 Jun 2021)
- Cr Denise Anderson – (10 Nov 2020 to 30 Jun 2021)
- Cr Peter Dikschei – (10 Nov 2020 to 30 Jun 2021)

• Key Management Personnel

- Juliana Phelps – Chief Executive Officer
- Rachael Gadd – Director Infrastructure and Environment
- Amanda Pagan – Director Community and Planning
- Emma Woolaston – Director Corporate and Organisational Development (12 Oct 2020 to 30 Jun 2021)
- Nola Tudball – Director Relief and Recovery (1 Jul 2020 to 16 Oct 2020)
- Blair Phillips – Acting Director Corporate and Organisational Development (1 Jul 2020 – 11 Oct 2020)

	2021	2020
Total number of Councillors	7	5
Chief Executive Officer and other Key Management Personnel	6	8
Total Key Management Personnel	13	13

c) Remuneration of Key Management Personnel

Total remuneration of Key Management Personnel was as follows:

	2021 \$'000	2020 \$'000
Short-term benefits	934	911
Post-employment benefits	76	66
Long-term benefits	6	17
Termination benefits	-	-
Total	1,016	994

The numbers of Key Management Personnel whose total remuneration from Council and any related entities, fall within the following bands:

	2021	2020
\$0 - \$9,999	2	1
\$10,000 - \$19,999	2	-
\$20,000 - \$29,999	2	5
\$40,000 - \$49,999	1	1
\$60,000 - \$69,999	1	-
\$70,000 - \$79,999	1	2
\$80,000 - \$89,999	-	2
\$90,000 - \$99,999	1	-
\$140,000 - \$149,999	-	1
\$150,000 - \$159,999	1	-
\$160,000 - \$169,999	1	-
\$250,000 - \$259,999	1	-
\$260,000 - \$269,999	-	1
Total	13	13

d) Senior officers remuneration

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

- has management responsibilities and reports directly to the Chief Executive Officer; or
- whose total annual remuneration exceeds \$151,000 (2019/20: \$151,000).

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

	2021	2020
<\$151,000	-	1
\$180,000 - \$189,999	-	1
	-	2
	\$'000	\$'000
Total Remuneration for the reporting year for Senior Officers included above amounted to:	-	294

7.2 Related party disclosure

a) Transactions with related parties

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

	2021 \$'000	2020 \$'000
Income		
Fees and charges to entities controlled by KMP (1)	1	191
Total income	1	191
Expenses		
Purchases of materials or services from joint arrangements (2)	85	75
Purchases of materials or services from entities controlled by KMP (3)	217	133
Employee costs for close family members of KMP (4)	76	112
Total expenses	378	320
Total transactions	379	511

(1) Fees and charges to entities controlled by key management personnel

- Fees totalling \$985 were charged and paid by Rural Councils Victoria Incorporated (RCV). These fees were for reimbursement of MAV Stand For Council invoice. RCV is an incorporated association and Council's Chief Executive Officer, Ms Juliana Phelps was the Secretary until the 2020 Annual General Meeting held on 16 October 2020.

(2) Purchases of materials or services from joint arrangements

- Labour hire fees of \$85,144 have been paid to MomentumOne Shared Services Pty Ltd. Council has a 50% shareholding in the company and has appointed Chief Executive Officer, Ms Juliana Phelps as a Director. The contract was awarded to MomentumOne Shared Services Pty Ltd in accordance with Council's Procurement Policy.

(3) Purchases of materials or services from entities controlled by key management personnel

- Membership fees of \$38,000 and additional tourism programs and works of \$104,392 were paid to Tourism North East totalling \$142,392. The membership fee is payable by all Councils wishing to have membership of Tourism North East. Council's Chief Executive Officer Ms Juliana Phelps is a Director. The Board comprises of CEOs of all participating Councils and a number of independent directors.

- Payments of \$23,057 for town maintenance and \$4,033 for a Community Recovery Grant were paid to the Dartmouth Community Progress Association, where Councillor Aaron Scales is the Treasurer of

the association. The contract was awarded to the Dartmouth Community Progress Association in accordance with Council's Procurement Policy.

- Payment of \$20,069 were paid to the Municipal Association of Victoria (MAV) for annual memberships and program fees. Councillor Aaron Scales is a Board member of the MAV. Membership fees are payable by all participating Council's and program fees are an additional option.

- Payments amounting to \$5,200 were paid to the Corryong Recreation Reserve for the hire of the Upper Murray Events Centre (\$200) and a Community Recovery Grant (\$5,000). Councillor Andrew Whitehead is the Chairperson of the Corryong Recreation Reserve committee.

- Contributions to waste and recovery projects of \$16,277 were made to North East Waste and Resource Recovery Group (NEWRRG). Councillor Peter Tolsher is the Chair of the group. These contributions were payable by all Councils participating in the group.

- A membership fee of \$3,000 was paid to Rural Councils Victoria Incorporated. Council's Chief Executive Officer Ms Juliana Phelps was the Secretary until the 2020 Annual General Meeting held 16 October 2020. This membership fee is payable by all rural Councils who wish to be members of this organisation.

- Payments amounting to \$2,663 were paid to Dartmouth Pub Pty Ltd for the annual provision of public toilets. Councillor Aaron Scales is the owner of the company. Due to the lack of standalone public toilet facilities in Dartmouth a contract has been negotiated to make the external toilet facilities at the pub available for public use throughout the year.

(4) Employee costs for close family members of key management personnel

All close family members of key management personnel were employed through an arm's length process. They are paid in accordance with Council's Enterprise Agreement for the job they perform. Council employs approximately 140 staff members of which 2 are close family members of key management personnel.

- Council's Librarian Ms Jo Tolsher, is a close family member of Councillor Peter Tolsher. Ms Tolsher was employed by Council over eight years ago which is prior to Councillor Peter Tolsher's election to office in 2016.

- Council's Data and Reporting Analyst (Relief and Recovery) Elizabeth Star, is a close family member of Councillor Jennie Star.

b) Outstanding balances with related parties

There are no outstanding balances with related parties.

c) Loans to/ from related parties

No loans have been made to or received from a related party.

d) Commitments to/from related parties

No commitments have been made to or received from a related party.

Note 8. Managing uncertainties

8.1 Contingent assets and liabilities

a) Contingent assets

Operating lease receivables

Council has a commercial property lease on its investment property, consisting of a surplus freehold office. This property held is under an operating lease which is due to expire in January 2022. It is unknown if the current tenant will exercise its option of a 12-month extension.

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

	2021 \$'000	2020 \$'000
Not later than one year	-	18
Later than one year and not later than five years	-	-
Later than five years	-	-
	-	18

b) 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

The expected contribution to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2021 is \$42,000.

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.

c) Guarantees for loans to other entities

Council does not have any guarantees for loans to other entities.

d) Support for joint arrangements

Due to the COVID-19 pandemic Towong Shire Council and Alpine Shire Council have guaranteed financial support for the entity MomentumOne Shared Services Pty Ltd as joint owners, to ensure they can continue to operate as a going concern. This support is for a period of twelve months from the date of adoption of the MomentumOne Shared Services Pty Ltd Financial Statements.

8.2 Changes 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

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 Note 1 of the financial statements. Risk management is carried out by senior management under policies approved by Council. These policies include identification and analysis of the risk exposure to Council and appropriate procedures, controls and risk minimisation.

b) Market risk

Market risk is the risk that the fair value or future cash flows of our financial instruments will fluctuate because of changes in market prices. 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.

c) Interest rate risk

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

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

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

There has been no significant change in 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 significant during the year to have an impact on Council's year end result.

d) Credit risk

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause Council to make a financial loss. Council has exposure to credit risk on some financial assets included in its balance sheet. To help manage this risk:

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

Receivables consist of a large number of customers, spread across the ratepayer, business and government sectors. Credit risk associated with 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 provides a guarantee for another party. Details of Council's 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.

e) Liquidity risk

Liquidity risk includes the risk that, as a result of Council's operational liquidity requirements, Council will not have sufficient funds to settle a transaction when required.

To help reduce these risks Council:

- has a liquidity portfolio structure that requires surplus funds to be invested within various

- bands of liquid instruments;
- monitors budget to actual performance on a regular basis.

Council's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed in the balance sheet 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 amount of financial instruments, reflect their fair value.

f) 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 -0.10% in market interest rates (AUD) from year-end rates.

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 on 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 within a five year cycle. The valuation is performed by experienced council officers or independent experts.

Where 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, Council reviews the carrying value of its assets to determine whether there is any indication that these assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's 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

There have been no significant events occurring after the balance date which may affect the Council's operations or the results of those operations, except for noting that the COVID-19 pandemic is ongoing and it is not practicable to estimate the potential impact after the reporting date.

Note 9. Other matters

9.1 Reserves

Asset revaluation reserve

	Balance at beginning of reporting period	Increment (decrement)	Balance at end of reporting period
	\$'000	\$'000	\$'000
2021			
Property			
Land	9,998	-	9,998
Buildings	5,226	-	5,226
	15,224	-	15,224
Infrastructure			
Roads	80,827	-	80,827
Bridges	10,085	-	10,085
Footpaths	944	-	944
Drainage	5,003	-	5,003
Kerb and channel	3,850	-	3,850
	100,709	-	100,709
Total asset revaluation reserve	115,933	-	115,933
2020			
Property			
Land	9,998	-	9,998
Buildings	5,226	-	5,226
	15,224	-	15,224
Infrastructure			
Roads	80,827	-	80,827
Bridges	10,085	-	10,085
Footpaths	944	-	944
Drainage	5,003	-	5,003
Kerb and channel	3,850	-	3,850
	100,709	-	100,709
Total asset revaluation reserve	115,933	-	115,933

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

9.2 Reconciliation of cash flows from operating activities to surplus/ (deficit)

	2021 \$'000	2020 \$'000
Surplus/ (deficit)	4,955	3,929
Depreciation	4,155	4,357
Amortisation – right of use asset	26	-
(Profit) / loss on disposal of property, infrastructure, plant and equipment	(101)	4
Financing activities included in operating result	25	25
Fair value adjustments for investment property	(37)	(20)
<i>Change in assets and liabilities:</i>		
(Increase)/decrease in trade and other receivables	(1,351)	2,069
(Increase)/decrease in other assets	163	(97)
(Increase)/decrease in inventories	(8)	(60)
(Increase)/decrease in investment in associates	-	(33)
Increase/(decrease) in trade and other payables (operating)	(578)	(9)
Increase/(decrease) in unearned income	5,568	1,678
Increase/(decrease) in provisions	102	185
Increase/ (decrease) in trust funds and deposits	(17)	564
Net cash provided by/(used in) operating activities	12,902	12,589

9.3 Superannuation

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

Accumulation

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

Defined benefit

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

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

Funding arrangements

Council makes employer contributions to the defined benefit category of the Fund at rates determined by the Trustee on the advice of the Fund's 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 30 June 2021 was 109.7%.

The VBI is to be 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 2018 interim actuarial investigation conducted by the Fund Actuary, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2021, this rate was 9.5% of members' salaries (9.5% in 2019/20). This rate will increase in line with any increases in the SG contribution rate and reviewed as part of the 30 June 2020 triennial valuation.

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

Funding calls

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

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

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

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

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

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

The 2020 triennial actuarial investigation surplus amounts

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

The Fund's actuarial investigations 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 2021 VBI during August 2021 (2020: August 2020).

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 and 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 \$'000	2020 \$'000
Vision Super	Defined benefit	9.50%	42	48
Vision Super	Accumulation fund	9.50%	249	232

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 is \$42,000.

Note 10. Change in accounting policy

The following accounting standards became applicable to Council from 1 July 2020:

- AASB 1059 Service Concession Arrangements: Grantors (AASB 1059)
- AASB 2018-7 Amendments to Australian Accounting Standards - Definition of Material
- AASB 2019-1 Amendments to Australian Accounting Standards - References to the Conceptual Framework

The application of these standards has not had any impact on Council.