

towongshire

innovation : technology : sustainability



2018/19

ANNUAL REPORT

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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 2018/19. It reports Council's progress towards achieving the objectives, measures and priorities set out in the Council Plan 2017-21 as well as our financial performance for 2018/19.

This report also contains a snapshot of significant events, achievements and changes that occurred throughout the year together with audited financial statements and other information as prescribed by the *Local Government Act 1989* and the *Local Government (Planning and Reporting) Regulations 2014*.

About Towong Shire

Towong Shire, positioned in far north-eastern Victoria, possesses some of Australia's most pristine environment. Unique wilderness areas, lakes, rivers and streams create diverse landscapes that are enjoyed by around 6,000 residents and many more visitors across an area of 6,600 square kilometres.

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



Introduction

Facts, statistics and characteristics

Population (2016 census)	5,985
Area	6,635 km ²
Property assessments	4,422
Roads and transport	
Council roads	1,183 km
Arterial roads	483 km
Number of registered vehicles ¹	7,112
People who live near public transport ²	5.3%
Economy	
Businesses ¹	919
Employment participation rate ¹	59.4%
Median weekly household income ²	\$850
Individuals and households	
Median age ¹	50
People born overseas ¹	8.1%
Average household size ¹	2.3
Access to internet at home ¹	70.1%
Social, community 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 (<http://stat.abs.gov.au/itt/r.jsp?databyregion#/>)

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.

Introduction

About our organisation

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 into the future

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

Acknowledgements

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



Australian Government



The year in review

A message from the Mayor and Chief Executive Officer

It is with pleasure that we introduce this Annual Report, marking the halfway point of the 2017-2021 Council Plan. The Council Plan along with community plans; *Tallangatta Tomorrow*, *UM2030 Vision Plan*, *Our Valley*, *Our Future* and *Our Bellbridge*, sets out the aspirations of Towong Shire community members and guides the budgeting and decision making of Council over the four year period.

We are committed to finding the best outcome for ratepayers and residents by delivering projects that provide a high return on investment through increased amenity for our community members and as a means of building a stronger visitor economy. Priority works this year included;

- Continued delivery of *Destination Tallangatta* with streetscape works and the redevelopment of Lakelands Caravan Park in Tallangatta
- The commencement of streetscape works in Eskdale, Corryong and Bethanga ahead of schedule as a result of securing \$1.15 million under the Victorian Government's *Fixing Country Roads Program*
- Securing funding through the Australian Government's *Building Better Regions Fund* for the revitalisation of Colac Colac Caravan Park

Council take a collaborative approach to improved health and wellbeing, we continue to seek sustainable outcomes, provide a balanced lifestyle and preserve our natural environment. The adoption of the *Towong Healthy Communities Plan 2018-2021* is a result of this commitment. Developed in close consultation with the Victorian Government, Towong Alliance and key stakeholders it provides the strategic framework for ensuring we can work towards better health and wellbeing outcomes for our communities.

Our results from the 2019 Community Satisfaction Survey again showed a strong performance in key areas. In 2019 we rated significantly higher than the Small Rural group average across three key performance areas; advocacy, making community decisions and the maintenance of sealed local roads.

A state election in November 2018 and a federal election in May 2019 provided significant opportunity for Council to advocate strongly for the needs of communities across the Shire and rural communities more broadly. Council have continued to secure state and federal funding as a means of keeping rate increases to a minimum. In 2018/19 this amounted to \$11.49 million, nearly 50% of total revenue.

Our shared service arrangements with Alpine and Indigo Shire Councils continued with shared services delivered in Rates, Property, Planning, Building Services and preparation for a new digital platform to support Customer Relationship Management, Environmental Health and Building Services and Planning.

We are immensely proud of what Council has achieved over the last financial year as we implement our 2017-2021 Council Plan. This report certainly reflects how we have utilised our limited resources to achieve the best possible outcomes for our communities. We thank our staff for their ongoing commitment and dedication.



Cr David Wortmann
Mayor



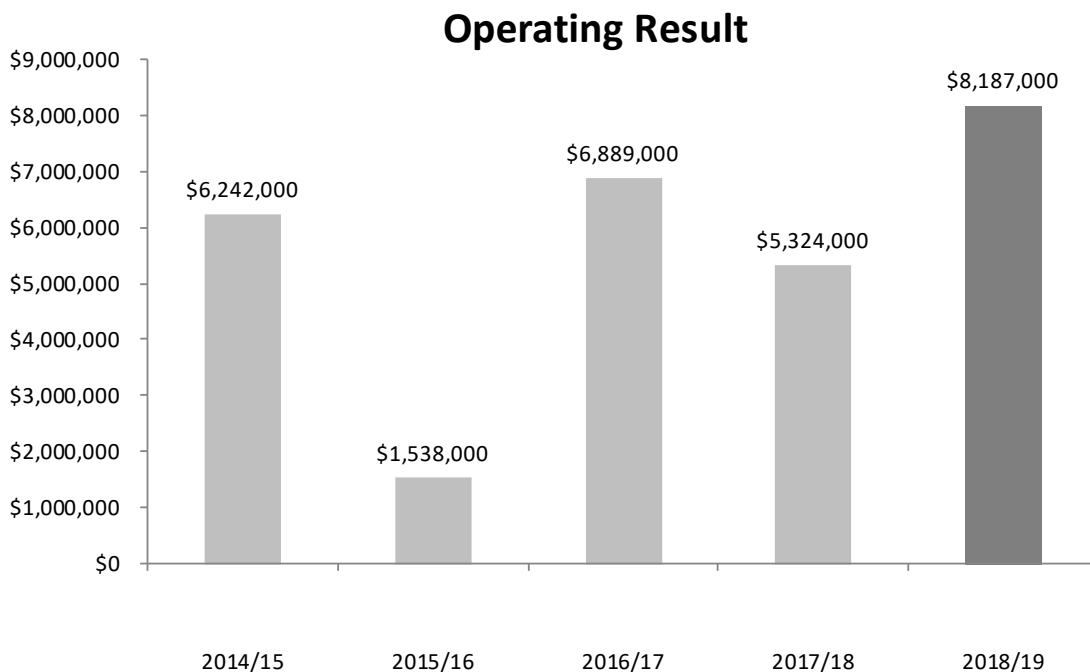
Juliana Phelps
Chief Executive Officer

The year in review

Financial Summary

Operating result

The result shown in the Comprehensive Income Statement for the period was a surplus of \$8,187,000. A comparison of Council's Operating Result from 2014/15 to 2018/19 is provided in the graph below.



The operating result for 2018/19 includes a significantly higher amount of grant income compared to the previous year.

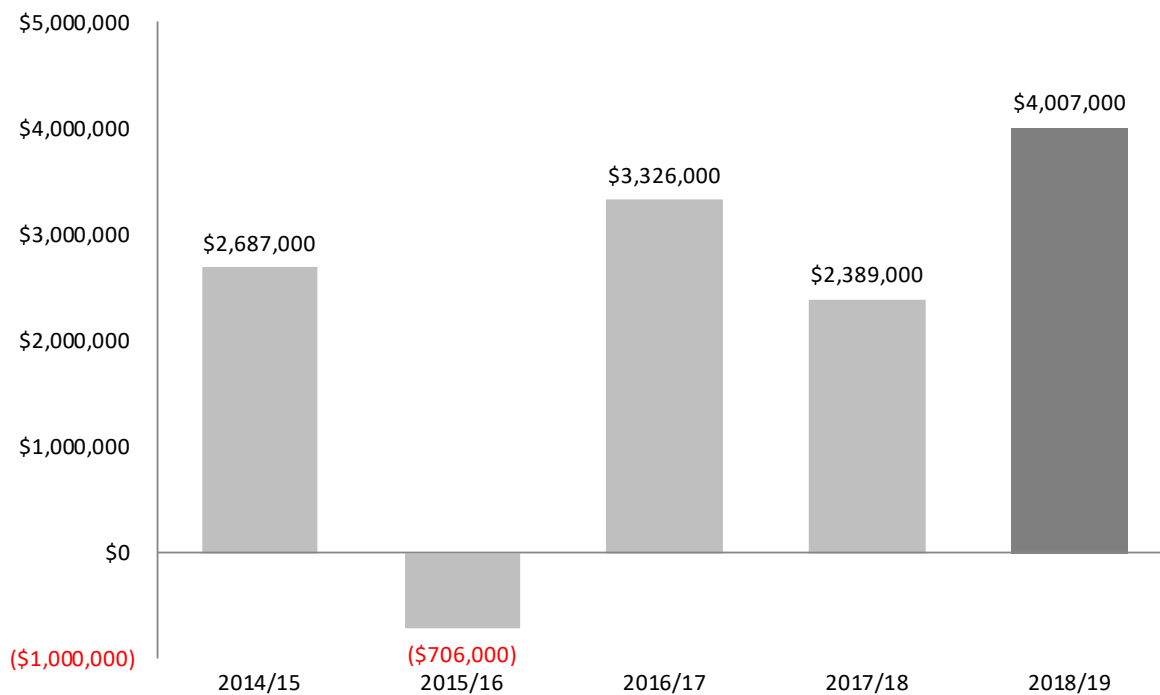
Capital grant income of \$4.1 million (\$1.2 million more than 2017/18) has been received to expend on capital projects including road upgrades as part of the Fixing Country Roads program, Destination Tallangatta and the Great River Road project. Operating grant income of \$7.3 million (\$1.6 million more than 2017/18) was also received in 2018/19.

The year in review

Financial Summary

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 2014/15 to 2018/19 is provided in the graph below.



The underlying operating result for 2018/19 of \$4.0 million is significant. There have been a number of one-off factors that have influenced this result.

In 2018/19 additional operating income was received in the following areas:

- Non-recurrent operating grant funding received to deliver projects throughout the Shire (e.g. Upper Murray Events Centre, Cudgewa Netball Court upgrade, Mitta Valley Mountain Bike Park, special circumstances opportunity and sustainability funding for delivery of childcare services in Bellbridge and Walwa)

There were also a number of areas of expenditure that were less than originally budgeted, including:

- Employee costs with Council operating with less staff than originally planned due to a number of positions remaining vacant for longer than anticipated as well as planning services and maternal and child health services operating at reduced resourcing levels. Some of these vacancies however were filled by contractors.

Grant income

Grant income increased from the prior year by \$5.0 million. The main contributors to this change were:

- The timing of payments from the Victorian Grant Commission (VGC). In June 2015 and June 2017, Council was pre-paid \$1.9 million from the respective following financial year's allocation by the VGC. This meant the 2015/16 grants would be \$1.8 million lower than anticipated and the 2018/19 grant would be \$1.9 million higher than anticipated. This equates to the grants having a \$3.7 million variance from 2015/16 to 2018/19.
- The non-recurrent capital grants were \$1.0 million higher than 2015/16 due to funding received for the National Stronger Regions – Destination Tallangatta project and other infrastructure funding for the Corryong Airport upgrade and Tallangatta boat ramp and car parking upgrade.

Expenses

Expenses have decreased from the prior year by \$12,000.

Capital expenditure

Capital works budgeted for in the 2018/19 Budget included projects that would be completed and capitalised in future years. In some instances Council's commitment to a project is required before government funding applications are made. There are a number of projects that are considered as multi-year projects and are considered as work in progress at 30 June 2017 (refer to Note 20 of the Financial Statements).

The year in review

A snapshot

July 2018

Granya Streetscape

As part of the 2017 – 2021 Council Plan, beautification and improvement works to the township of Granya were completed. Highlights from the project include: 82 new trees, kerb and channel placed along Carlyle Street from Webb Lane to Conness Street, a formal entry and exit point to the town and underground drainage works.

August 2018

Great River Road

The Great River Road is one of five key projects identified in the Upper Murray 2030 Vision Plan, creating a touring route between Bellbridge and Khancoban. In a major coup for the region, Council announced the appointment of award-winning civic sculptor Benjamin Gilbert's *Agency of Sculpture* for the delivery of the public art works along the Great River Road.

September 2018

Upper Murray Brand Launch

Over 60 people attended the launch of the Upper Murray Brand in Corryong – a project 10 months in the making. Led by the Upper Murray Brand Steering Group the launch coincided with the release of the *Marketing Upper Murray Program*. This program will help build a sustainable model for regional promotional activities and ongoing delivery of the Upper Murray Brand.

October 2018

Deer Management Plan

Following the public consultation process for the draft *Hunting Tourism Action Plan* Council called for a coordinated approach from all tiers of Government to address the immediate concerns felt by land owners and managers and to develop a deer management plan that mitigates against increasing environmental, social and financial costs.

November 2018

Great Victoria Bike Ride

As part of the Great Victorian Bike Ride's tour of North East Victoria 3015 riders were welcomed to The Triangles in Tallangatta with a community celebration. The *Two Wheels Street Festival* showcased the vibrancy of the community and local businesses to visitors and residents alike. The ride was commemorated with the unveiling of the work of local artist Simon Pankhurst's *Wheels in Motion*.

December 2018

Childcare services in Bellbridge and Walwa

Following the unexpected withdrawal by the Albury Wodonga Community College as a service provider Council worked closely with the Australian Government to secure funding to assist in the

delivery of childcare services. As a result, quality childcare delivered by Council was available to families in Bellbridge and Walwa and in Mitta Mitta delivered by Wodonga TAFE.

January 2019

E-Waste facilities

Council secured 100% of the project cost in grant funding to establish e-waste recycling infrastructure at the Corryong and Tallangatta waste facilities. The facilities will provide community members with a dedicated place to dispose of e-waste and keep these items out of landfill.

February 2019

Towong Healthy Communities Plan

The *Towong Healthy Communities Plan 2018-2021* was formally adopted at the February Council meeting. Developed in consultation and collaboration with health services and providers across the region, feedback for the Plan was overwhelmingly positive. The adopted plan outlines a series of initiatives across five priority areas: healthier eating, active living, reducing harmful alcohol and drug use, improving mental health and reducing family violence.

March 2019

Digital books delivered

Council announced *Borrow Box* a new free digital service for members of the Corryong and Tallangatta libraries. With a catalogue of digital books and downloadable audiobooks that can be read or listened to on a smartphone, tablet, computer or MP3 player - it's like having a new branch of the library that's available 24 hours a day, 7 days a week.

April 2019

Shelley-Walwa Road

One of the region's most important route for the timber and forestry industry, Shelley-Walwa Road between Guys Forest Road and the Murray Valley Highway was re-opened following 12 months of significant resealing and upgrade works. The \$7.63 million project was funded by the Australian Government, Victorian Government, Council and HVP Plantations.

May 2019

Funding for Upper Murray Events Centre

Securing \$800,000 from the Victorian State Government was the final piece in the puzzle in ensuring construction of the \$2.5 million Upper Murray Events Centre could commence. In addition to the State Government's commitment, the Federal government contributed \$800,000, with a further \$600,000 in contributions from Council and \$300,000 in community funds and in-kind support.

June 2019

Community Satisfaction Survey

Commissioned by the Victorian State Government, the 2019 Local Government Community Satisfaction Survey assesses councils' overall performance against State wide and council groups benchmarking. In 2019 Towong Shire Council achieved an overall satisfaction rating of 61, one point above the State average and three points above other small rural councils.

The year in review

Major capital works

The year in review

Destination Tallangatta

\$1,086,697 (in 2018/19)

Works continued on Destination Tallangatta - a \$5.3 million project funded under the Australian Government's National Stronger Regions Fund. This year works included; improved footpath links and the formalisation of paths for walkers in Queen Elizabeth Drive. The upgrade to the Lakelands Caravan Park in Tallangatta also commenced with the construction of the reception and kiosk building.

Annual Resealing Works

\$550,000

Council is responsible for maintaining over 1,100kms of local roads across Towong Shire. A regular program of maintenance and renewal of the Shire's extensive road infrastructure is undertaken each year. In the most recent Community Satisfaction Survey, the maintaining of local sealed roads was one of the top three performing areas for Council. It rated 58, consistent with last year's result and five points above the rating for similar Councils.

Great River Road

\$495,000

The Great River Road project has created a landmark touring route between Bellbridge and Khancoban along the Murray River. Designed to rival other iconic touring routes like the Great Ocean Road, funding for the project has been provided from the Australian and State Governments, Towong Shire Council and the Upper Murray community.

Granya Streetscape

\$225,000

Council completed the beautification and improvement works to the township of Granya. The works form part of the 2017-2021 Council Plan and include the planting of 82 new trees, formalised kerb and channel works through the town centre.

E-Waste Facilities

\$193,958

Council constructed new e-waste sheds at the waste recovery centres in Corryong and Tallangatta. The e-waste sheds enable residents to safely dispose of any item with a plug, battery or cord that is no longer working or wanted. This includes televisions, computers, mobile phones, kitchen appliances and white goods. This project was delivered as a result of funding from Sustainability Victoria.

The year in review

Financial summary

Challenges and future outlook

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 have an impact on our financial capacity.

Addressing financial sustainability

Our organisation has long recognised the risks to our long-term sustainability and sought to mitigate the underlying causes. Continued refinement of our long-term financial plan gives us a clear picture of our financial future. In the medium term, Council is aiming towards a 'break-even' underlying net result (i.e. this means our operating expenditure equals operating income).

Fair Go Rates Policy

Adding further strain to Council's long-term financial outlook was the introduction of the Victorian Government's Fair Go Rates System from 1 July 2016. Whilst Council supports the principles underpinning the Fair Go Rates System, particularly to contain the cost of living for Towong Shire ratepayers, Council recognises that with no change to current funding arrangements, the new system places additional pressure on Council's long-term financial outlook.

Unlike larger councils who can generate income through parking fees, development contributions and levies, councils like Towong Shire rely on income from rates and grants to deliver core services. Based on forecast rate caps, Council will be unable to continue to fund services, maintain and renew infrastructure at current levels and return to a break even underlying net result.

Higher rate cap variation

In 2017 Council submitted an application to the Essential Services Commission (ESC) for a higher rate cap of 5.55% for the next four financial years. The ESC conducted a comprehensive review of Council's financial data and analysis and extended the review to cover community engagement practices. On 31 July 2017, the ESC announced that Council's application for a higher rate cap (5.55%) was approved for the 2017/18 financial year and the following three years to 2020/21.

A rate cap of 2.25% was announced by the Minister for the 2018/19 financial year. Each year when preparing the draft budget, Council's long term financial modelling is updated to establish the rate increase required to ensure that Council can sustainably deliver services and maintain and renew infrastructure at current levels into the future. The updated modelling for 2018/19 indicated that a rate increase of 4.80% was required to be financially sustainable in accordance with Council's Long Term Financial Plan and the Victorian Auditor General's financial sustainability indicators. A rate increase of this magnitude would be required each year for the next ten years recognising that Council does not have approval beyond 2020/21 and will not be able to seek approval for this until 2021.

The budget for 2018/19 adopted by Council contained a rate increase of 4.80% (less than the 5.55% higher rate cap approved by the ESC).

Ongoing financial sustainability

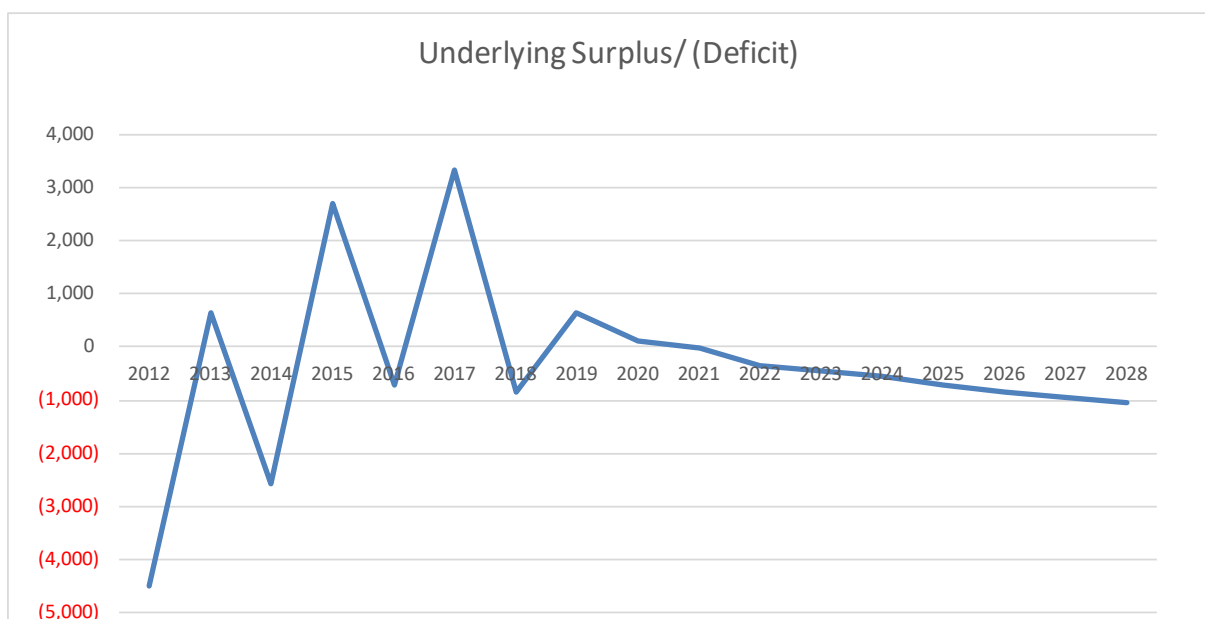
Council is balancing the capacity of ratepayers to pay increased rates as well as ensure that Council is able to provide services and maintain infrastructure in the longer term. The financial modelling indicates that Council requires additional revenue to fund future infrastructure and service delivery needs. Council supports the Fair Go Rates System and believes that ratepayers should not be burdened with increases to the cost of living, particularly where the responsibility lies with State and Commonwealth Governments. We believe that additional revenue should come from other levels of government rather than Towong Shire ratepayers. Alternatively, it may be appropriate for some services to be fully funded or provided by the State Government.

Council has worked closely with Rural Councils Victoria to present a case to the State Government for increased funding for services for all rural communities. The Victorian Government has established a Rural and Regional Councils Sustainability Program to review the sustainability challenges of rural councils and identify options for improving outcomes for rural communities. Council’s Chief Executive Officer has been appointed onto the working group that will drive the progress and provide direct input into the program.

Reduced cash reserves / underlying result

In preparing the final Budget and Strategic Resource Plan for 2018/19, Council adopted a rate increase of 4.80% for 2018/19 and forecast a rate increase of 4.80% for each of the following three years to be financially sustainable and to have sufficient cash reserves to meet future service delivery and asset renewal needs.

Based on a rate cap of 2.25%, Towong’s financial modelling demonstrates that Council would experience increasing underlying deficits over coming years, as displayed in the following chart. Underlying deficits will erode Council’s cash reserves and impact on Council’s ability to fund Council services and recommended infrastructure renewal in the medium term, with Council’s cash reserves exhausted by 2019.



In order to address this deteriorating financial position, Council may need to consider short term measures to manage its liquidity by:

Reducing basic services to the community

Reducing maintenance and asset renewal of its extensive infrastructure network (primarily roads and bridges)

Council's long term response to sustainability is to increase the number of people residing in communities throughout the 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 (Cudgewa, Mitta Mitta, Tallangatta, Tallangatta Valley, Walwa)

Construction of a new Library, Early Years and Community Centre in Tallangatta

Progression of a Domestic Wastewater Management Plan to enable additional residential development in sought after areas of the Shire

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 a level of services and infrastructure that meets 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.

A short term response to addressing Council's deteriorating financial position will compromise a longer term, more sustainable approach that will assist our rural communities to be more vibrant and our Council to be more financially sustainable into the future.

We are actively addressing our concerns by:

1. Continuing to engage with Commonwealth and Victorian Government representatives through meetings, formal submissions and collaborative campaigns
2. Exploring further opportunities to reduce the cost of doing business, especially through shared service delivery arrangements
3. Consulting with our communities about their expectations for the delivery of Council services
4. Partnering with Rural Councils Victoria to identify opportunities to improve the sustainability of rural councils and their communities.

Our Council

Councillors

Councillors commenced their four-year term on Saturday 22 October 2016. This term will end with the Local Government Election on 24 October 2020.



Cr David Wortmann, Mayor

Cr David Wortmann was first elected to Council in November 2008, he was re-elected to the Council on 22 October 2016 and now serves his third term. Cr Wortmann served three consecutive terms as Mayor from November 2014, he is now serving his fourth 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 Andrew Whitehead, Deputy Mayor

Cr Andrew Whitehead was first elected to Council on 22 October 2016 and currently serves as the Deputy Mayor. Andrew has been a resident of Towong Shire for over 40 years and is married with 4 children. He runs a beef and sheep farm and is involved in numerous community groups.



Cr Aaron Scales

Cr Aaron Scales was first elected to Council on 27 October 2012 and served one term as Mayor (2017/18). He was raised on his family's farm at Dartmouth and has settled in the town with his three children. Aaron studied in Law, Accounting and Hospitality/Tourism and has completed a Master in Business Administration, he is currently the owner and manager of a hotel.



Cr Jennie Star

Cr Jennie Star was elected to Council on 22 October 2016. She has called Towong Shire home 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. 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 Director for the Water Industry Operator Association of Australia and 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 and Managers, 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

Juliana commenced with Council in April 1999 and was appointed CEO in May 2009. Prior to joining Council, Juliana held a senior management position in the manufacturing sector. She has also had experience auditing private and public organisations. Juliana is a Chartered Accountant with a Bachelor of Business Degree in Accounting and Economics. She completed her Masters of Business Administration through Charles Sturt University in 2003 and is also a graduate of the Australian Institute of Company Directors.

Jamie Heritage

Director Technical Services

Jamie commenced with Council in May 2011. Jamie came to Council from Indigo Shire Council where he held the position of Capital Works Manager and later acted as the General Manager for Major Projects and Programs. Prior to this he worked in a number of roles in private industry and local government. He has a broad understanding of roads and drainage together with design and development expertise.

Jo Shannon

Director Community and Corporate Services (to 12 April 2019)

With over 15 years' experience in public sector financial and executive management, Jo commenced as Director Community and Corporate Services in December 2013. Prior to local government, her management experience was gained in the alpine sector and in the private sector in Melbourne. She has a Bachelor of Business (Accounting) and is a member of CPA Australia.

Our people

Organisational structure

Chief Executive Officer

Juliana Phelps

	Executive Services Manager – Georgina Curtis	
	Executive and Councillor support Communications Community engagement	
	Technical Services Director – Jamie Heritage	
	Works Infrastructure maintenance Parks and open spaces Projects Construction and development Assets Asset management Capital projects Emergency management	Regulatory control Animal control and local laws Building services Environmental health Environment Waste management Wastewater and water supply Forest industry support
	Community and Corporate Services Director – Jo Shannon (to 12 April 2019)	
	Community Kindergartens Maternal and child health Recreation Youth, family and senior programs Finance Accounting Budget Rates and property Payroll	Corporate Risk management and insurance Governance Customer service Human resources
	Planning Manager – Scott Taylor (to 17 May 2019)	
	Strategic and statutory land-use planning	
	Economic and Tourism Development Manager – Alicia Keogh (to 5 April 2019)	
	Business support Agricultural diversity Visitor information services Event support	

Our people

Workforce statistics

A summary of the number of full time equivalent (FTE) council staff, as at 30 June 2019, 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	
Organisational improvement	4.0	8.9	0	5.2	-	0.2	18.3
Community wellbeing	1.0	-	0.6	8.2	-	1.9	11.7
Asset management	29.0	1.0	0.5	2.1	0.7	2.0	35.3
Land-use planning	1.0	-	-	-	-	-	1.0
Environmental sustainability	-	-	-	0.7	-	-	0.7
Economic and tourism development	-	-	-	1.4	-	-	1.4
	35.0	9.9	1.1	17.6	0.7	4.1	68.4

A summary of the number of full time equivalent (FTE) council staff, as at 30 June 2019, by employment classification and gender is set out below.

Employment classification	Female	Male	Total
Band 1	0.3	-	0.3
Band 2	0.5	4.3	6.8
Band 3	3.0	15.0	18.0
Band 4	5.8	7.5	13.3
Band 5	3.0	4.3	7.3
Band 6	6.7	1.0	7.7
Band 7	1.0	2.0	3.0
Band 8	1.0	1.0	2.0
Band not applicable	10.0	2.0	12.0
	31.3	37.1	68.4

Our people

Equal employment opportunity program

Council has a Discrimination, Workplace and Sexual Harassment, Equal Employment Opportunity and Diversity policy that is reviewed and adopted each year.

Council's policy is that discrimination relating to sex, marital status, parenthood, race, colour, national origin, physical or mental impairment, religious or political affiliation will not be tolerated. Selection of individuals for employment is on the basis of personal merit according to the skills, qualifications and knowledge relevant to the position involved.

The objectives of this policy are to:

- Create a working environment which is free from discrimination and harassment and where all members of staff are treated with dignity, courtesy and respect.
- Implement training and awareness raising strategies to ensure that all employees know their rights and responsibilities.
- Provide an effective procedure for complaints based on the principles of natural justice.
- Treat all complaints in a sensitive, fair, timely and confidential manner.
- Guarantee protection from any victimisation or reprisals.
- Encourage the reporting of behaviour which breaches the discrimination and harassment.
- Promote appropriate standards of conduct at all times

Actions taken to implement Council's equal employment opportunity policy include:

- Awareness training of equal employment opportunity principles at staff meetings.
- Recruitment processes that support the engagement of staff based on merit.
- Flexible working arrangements that support employees to balance work and family commitments / responsibilities.
- Expectations regarding employee conduct discussed as part of employee induction and thereafter on a quarterly basis.

Council's 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.

Our performance

Planning and accountability framework

The Planning and Accountability Framework is found in part 6 of the *Local Government Act 1989* (the Act). The Act requires councils to prepare the following planning and reporting documents:

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

The following diagram shows the relationships between the key planning and reporting documents that make up the planning and accountability framework for local government, as well as Council's own long term strategic plans. It also shows that there are opportunities for community and stakeholder input and feedback at each stage of the planning and reporting cycle.

Planning			Reporting
Long term	Medium term	Short term	Annually
Long Term Financial Plan	Council Plan 2017 – 2021	Annual Budget	Annual Report <ul style="list-style-type: none"> ○ Report of operations ○ Financial statements ○ Performance statement
Community plans: <ul style="list-style-type: none"> ○ Tallangatta Tomorrow ○ UM2030 Vision Plan ○ Our Valley, Our Future ○ Our Bellbridge 	Strategic Resource Plan 2017 - 2021 Healthy Communities Plan 2018 - 2021 Planning Scheme Municipal Strategic Statement		
Incorporating input and feedback from: <ul style="list-style-type: none"> ○ Community workshops ○ Community surveys ○ Stakeholder engagement ○ Section 223 submissions 			

Our performance

Council Plan

The Council Plan 2017 – 2021 includes strategic objectives, strategies for achieving these objectives for the four year period, strategic indicators for monitoring the achievement of the strategic objectives as well as a Strategic Resource Plan. The following are the six strategic objectives detailed in the Council Plan:

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.

Reporting our performance

Council's performance for the 2018/19 year has been reported against the strategic objectives, strategies and indicators in the Council Plan 2017 – 2021. This report measures Council's performance as follows:

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

Our performance

1. Organisational improvement

It was another busy year for our teams as we welcomed Cr Wortmann to his fourth term as Mayor and Cr Whitehead to his inaugural term as Deputy Mayor. Focus remains on continuing to deliver the priorities listed in the Council Plan 2017 – 2021 while maintaining the finance, information technology, OHS and risk management systems and services that support our organisation.

In preparation for the new Local Government Act, due for introduction in late 2019, consultation for the 2019/20 Budget included community workshops in Corryong, Bellbridge, Tallangatta and Mitta Mitta. Preparation for the requirements of the new Local Government Act requiring community to play an increased role in the strategic decision making of Council.

To avoid putting ratepayers under further financial pressure Council continued to work hard to keep rate increases to a minimum. Council obtained approval from the Essential Services Commission (ESC) for a rate increase of 5.55%, in acknowledgement of the financial challenges faced by our Council. A rate increase at this level assists with the long-term financial sustainability of Council. Securing additional State and Federal Government funding as well as reducing operational costs means we have been able to accommodate a lower rate increase of 4.80% for a second consecutive year. This is 0.75% below the ESC approved 5.55% rate cap.

Our shared service arrangements with Alpine and Indigo Shire Councils continued with shared services delivered in Rates and Property, Building and Environmental Health and preparation for a new digital platform to support Customer Relationship Management, Environmental Health and Building Services and Planning.

Council continued to deliver secretariat services for Rural Councils Victoria, with highlights including the delivery of the bi-annual Mayors, Councillor's and CEO Forum in November 2018 and April 2019. Our involvement continues to provide increased opportunity for high-level engagement and advocacy with State and Federal Ministers and their Departments ensuring that rural councils and their communities are considered.

Highlights

- Keeping rate increase lower than the approved cap rate.
- Continued savings achieved through MomentumOne Shared Services Pty Ltd for lifeguards and technology solutions
- Introduction of new financial management system via Approval Max, Xero and Keypay

Challenges

- Preparing for the increase in statutory requirements in advance of the introduction of the new Local Government Act within existing resources
-

Our performance

1. Organisational improvement

Services delivered in 2018/19

Services	Description
Councillors, Chief Executive Officer and Executive Team	This area of governance includes the Mayor, Councillors, CEO and Senior Management Group and associated support which cannot be easily attributed to the direct service provision areas.
Executive Services	This service provides Council with executive support to Council, CEO and the Senior Management Group and governance needs of the Council. The service also delivers Council's communication and engagement services.
Corporate Services	This service provides financial and corporate based services and acts as the main customer interface with the community. It includes the management of Council's finances, payment of salaries and wages to employees, human resources, procurement and contracting of services, raising and collection of rates and charges, managing Council's records and delivering on Council's occupational health and safety responsibilities. This service also maintains reliable and cost effective communications and computing systems, facilities and infrastructure to support Council staff.

Council Plan progress report

Strategy and strategic indicator(s)	Status	Comments
1.1 Continue to lobby for increased ongoing government funding support	Ongoing	Council continues to lobby government directly and via Rural Councils Victoria.
1.2 Investigate new/additional funding streams with a view to reducing reliance on rate revenue (in conjunction with other small Councils)	Ongoing	Council continue to seek funding from a range of sources to support this project.

Strategy and strategic indicator(s)	Status	Comments
1.3 Improve service delivery and reduce costs through process improvement and shared services	Ongoing	Council are working with Alpine and Indigo Shire Councils to implement common systems across customer relationship management, planning, building and environmental health. Introduction of new financial management system via Approval Max, Xero and Keypay.
1.4 Continue to improve our Long Term Financial Plan	Ongoing	Annual update completed to reflect current financial environment as part of the 2019/20 Budget development process.
1.5 Deploy software that leverages improved IT infrastructure – finance and rates, human resources, asset management, environmental sustainability	Ongoing	The rates and property software review has progressed to a RFQ stage. The partnership has expanded to include Alpine as well as Indigo Shire Council.
1.6 Implement business improvements – OHS, outdoor pools, saleyards, landfills and transfer stations	Ongoing	Swimming Pool Advisory Group established in February 2019 with recommendations presented to Council in April 2019. E-waste facilities established in Corryong and Tallangatta.
1.7 Undertake a review of Local Laws	Not yet started	Scheduled for 2019/20
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	Rate increase in 2019/20 reduced to 4.8% from higher approved rate cap of 5.55%

Strategic indicators

Indicator	Target	Result 18/19	Result 19/20	Result 20/21
Number of business improvements and shared services initiatives that achieve cost savings	Increase	11	•	•
Proportion of revenue secured from non-rates sources	Increase	\$11,400,000	•	•
Percentage of customer requests resolved within one month	Increase	93.8%	•	•

Service performance indicators

Service	Indicator	Performance Measure	Result 18/19	Target Achieved
Governance	Satisfaction	Satisfaction with Council's consultation and engagement process. Community rating out of 100	58	Yes

Our performance

2. Community wellbeing

The 2018/19 year saw a continued focus on the development of partnerships with key stakeholders across government, community health, education and not for profit sectors to deliver improved health and wellbeing outcomes for our community.

The development of the Towong Healthy Communities Plan 2018-2021, adopted in February 2019 outlines the strategic direction for the health and wellbeing of our communities. It ensures that an evidenced-based approach is taken to program and service delivery across the community wellbeing portfolio.

Significant improvements were made to our Early Years services across the Shire. This has included the delivery of a Supported Playgroup in Corryong, an After School Care service at Tallangatta Early Years Learning Centre and the continuation of Child Care services in Bellbridge and Walwa. Council received a \$40,000 grant from the Department of Education and Training (DET) to deliver a Central Enrolment program to support and enhance early years enrolment processes and services. Additionally, preparatory work with the Department of Education and Training (DET) has commenced in advance of the delivery of three-year-old kindergarten services in 2021.

Council worked closely with a number of local sporting clubs to secure State and Federal funding to upgrade the Cudgewa, Tallangatta and Tallangatta Valley Football Netball Clubs' netball courts and the Eskdale Cricket Club wicket.

The Tallangatta Neighbourhood House, auspiced by Council continues supports cultural diversification, community connectivity and lifelong learning. A partnership with Wodonga TAFE enabled the delivery of a number of certificate courses to support employment opportunities for local people.

Highlights

- 2684 local people participated in a diverse range of community-led programs at Tallangatta Neighbourhood House, including the Jobs Victoria Employment Network training program delivered by Wodonga TAFE. Seven participants gained ongoing employment in disability services.
- Young people were actively engaged to deliver the Tallangatta Skate Park upgrade – the project strengthened partnerships with Victorian Police, Department of Education, our local Indigenous community, Wodonga TAFE and Sport North East.
- A review of immunisation services was completed with cost savings realised and partnerships with the Towong Alliance strengthened. Families will continue to be encouraged to utilise their local GP for all early years immunisation needs, while the Secondary College immunisation program will continued to be delivered by Council in partnership with Wodonga City Council.
- Council received a \$20,000 grant from DET to support a Maternal and Child Health Services review
- Council secured \$20,000 in funding to develop a Shire-wide recreational masterplan.

Challenges

- The closure of early years services at Bellbridge, Walwa and Mitta Mitta by Albury Wodonga Community College put significant pressure on Council resources to secure licensing and staffing to ensure ongoing service delivery.
 - Unsuccessful Sport and Recreation funding application for the Bullioh Football Netball Club. Council has made a second application for consideration by the State Government.
-

Our performance

2. Community wellbeing

Services delivered in 2018/19

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 improved access for all residents, delivers an annual Seniors event and is exploring opportunities to support arts and culture throughout the Shire.
Library services	Public library services 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 pool.
Community facilities	This service identifies opportunities for Council or community groups to access funding to better meet community needs and delivers on key Council funding applications.

Council Plan progress report

Strategy and strategic indicator(s)	Status	Comments
2.1 Develop the 2017-2021 Towong Shire Healthy Communities Plan <i>For completion by December 2018</i>	Complete	Healthy Communities Plan adopted in February 2019.
2.2 Review immunisation services <i>For completion by December 2018</i>	Complete	City of Wodonga engaged to provide school based services and local health care providers 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.

Strategy and strategic indicator(s)	Status	Comments
2.4 Review options for delivery of swimming pool services, including consideration of a community based model <i>For completion by December 2018</i>	Complete	Recommendations from Advisory Group presented to Council in April 2019.
2.5 Review library services and servicing of remote areas and where appropriate engage with other stakeholders to explore innovative solutions <i>For completion by June 2020</i>	In progress	Draft scope prepared.
2.6 Provide guidance to the Corryong Memorial Hall Committee to update their masterplan and seek funding for hall improvements <i>For completion by June 2020</i>	Complete	Council continues to provide guidance on funding opportunities to the Hall Committee.
2.7 Establish a Tallangatta Neighbourhood House Advisory Committee to deliver an annual program of activities with a view to building standalone capability <i>Committee established by June 2019</i>	Complete	Tallangatta Neighbourhood House established and programs delivered to over 2684 participants.
2.8 Seek funding to upgrade Eskdale cricket facilities <i>Facilities upgraded by June 2019</i>	Complete	Secured \$76,700 in funding from Sport and Recreation Victoria in January 2019.
2.9 Continue to pursue extended child care services across the Shire <i>Work to continue for the life of this Council Plan</i>	On going	After School Care offered at Tallangatta Early Years Learning Centre. Child Care services in Bellbridge and Walwa provided by Council. Mother Goose to commence delivery in September 2019.
2.10 Encourage development of proactive community groups to progress local initiatives (e.g. funding for improvements at Bethanga Recreation Reserve, branding of localities) <i>Work to continue for the life of this Council Plan</i>	In Progress	Secured \$20,000 in funding from Sport and Recreation Victoria in 2019 for the development of a recreational masterplan.
2.11 Seek funding to upgrade netball courts in Tallangatta, Cudgewa and the Tallangatta Valley <i>Work to continue for the life of this Council Plan</i>	Complete	Secured over \$330,000 in funding from Sports Australia and Sport and Recreation Victoria in 2019 for Cudgewa and Tallangatta. Funding application submitted for Tallangatta Valley.

Strategy and strategic indicator(s)	Status	Comments
2.12 Implement improvements to early years services across the Shire <i>Work to continue for the life of this Council Plan</i>	Ongoing	Towong is performing above the State and Nation in 3/5 Australian Early Years Development Census Domains. Supported Playgroup established in Corryong with regular program service delivery achieved Funding sought for an inclusive outdoor play space at Tallangatta and Corryong.
2.13 Implement the Towong Shire Access and Inclusion Plan to support people experiencing a disability <i>Work to continue for the life of this Council Plan</i>	In Progress	Draft scope of works prepared and Request for Quotation prepared for advertising.
2.14 Seek funding for recreation facility upgrades / renewals (e.g. netball courts and shade sails) <i>Work to continue for the life of this Council Plan</i>	Complete	Secured over \$270,000 in funding from Sports Australia and Sport and Recreation Victoria in 2019 for Cudgewa and Tallangatta.
2.15 Actively participate in the Towong Alliance with the three local health services <i>Work to continue for the life of this Council Plan</i>	Ongoing	Work undertaken with the Towong Alliance to deliver initiatives of the Towong Healthy Communities Plan
2.16 Develop a four-year Youth Plan and deliver FReeZA and other responsive youth programs <i>Work to continue for the life of this Council Plan</i>	Ongoing	Youth Strategy developed and scheduled for adoption by Council in November 2019.
2.17 Seek funding to renew/upgrade playgrounds <i>Work to continue for the life of this Council Plan</i>	Ongoing	Council supported community groups seeking funding under the Victorian Governments Pick My Project.
2.18 Seek funding to upgrade skate parks in Bellbridge, Corryong and Tallangatta <i>Work to continue for the life of this Council Plan</i>	Ongoing	Secured \$10,000 in funding to upgrade Tallangatta Skate Park. Continue to seek funding for Bellbridge and Corryong.
2.19 Participate in community-led or government-led initiatives with the aim of reducing family violence <i>Work to continue for the life of this Council Plan</i>	In Progress	Consultant Projectura engaged to deliver the 'Primary Prevention of Violence Against Women and Children' project.

Strategy and strategic indicator(s)	Status	Comments
2.20 Facilitate an annual Seniors Week activity <i>To be delivered each year for life of this Council Plan</i>	In Progress	Seniors Week event was delivered in October 2018.
2.21 Advocate for appropriate transport options for community members <i>Work to be undertaken for the life of this Council Plan</i>	Ongoing	No Action
2.22 Investigate options for delivery of stage two of Our Bellbridge <i>For completion by June 2020</i>	In Progress	Council continues to seek funding to progress this project.
2.23 Update recreation masterplans to determine future recreation priorities <i>For completion by June 2021</i>	In Progress	Secured \$20,000 in funding from Sport and Recreation Victoria in 2019 for the development of a recreational masterplan.

Our performance

2. Community Wellbeing

Strategic Indicators

Indicators	Target	Result 18/19	Result 19/20	Result 20/21	Target Achieved
Vaccination of children	Maintain	177	•	•	Yes
Participation in the Maternal and Child Health Service	Maintain	81.3%	•	•	No
Library collection usage	Increase	1.51	•	•	Yes
Utilisation of aquatic facilities	Increase	11,607	•	•	No
Level of participation in Seniors Week event	Increase	62	•	•	No
Level of participation in youth events	Increase	421	•	•	No

Service performance indicators

Service	Indicator	Performance Measure	Result 18/19	Target Achieved
Maternal and Child Health (MCH)	Participation	Participation in the MCH service - Percentage of children enrolled who participate in the service	81.3%	Yes
MCH	Indigenous Participation	Participation in MCH service by Aboriginal children - Percentage of Aboriginal children enrolled who participate in the service	66.6%	Yes
Libraries	Participation	Active library members - Percentage of the municipal population that are active library members	10.7	Yes
Aquatic Facilities	Utilisation	Utilisation of aquatic facilities - Number of visits to aquatic facilities per head of municipal population	1.93	Yes

Our performance

3. Asset management

The delivery of the Destination Tallangatta project continues through 2018/19 with streetscape works and undergrounding of the electricity supply in Towong Street, Tallangatta now complete. The redevelopment of the Lakelands Caravan Park in Tallangatta was commenced with construction of the kiosk reception building and amenities block.

Council successfully attracted \$2.67 million in funding through the Victorian State Government's Fixing Country Roads program. This, combined with council contributions enabled streetscaping for Bethanga, Eskdale and Corryong planned for 2019/20 will be delivered 2018/19.

The Great River Road project delivered new wayside stops and five major sculptural artworks along the Murray River Road; Wedge-tailed Eagle at Mount Alfred Gap, Murray Cod at Tintaldra, Bogong Moth at Jim Newman Lookout, Murray Cray at Bringenbrong Reserve, and Rainbow Trout at Khancoban.

As part of the annual capital works program streetscape upgrades in Walwa were also delivered. Works included; drainage and kerb renewal, tree plantings and path link to the reserve collectively resulting in increased safety and amenity.

Following the announcement of \$800,000 in State Government funding construction of the Upper Murray Events Centre in Corryong was scheduled for August 2019.

Highlights

- New footpaths constructed in Cudgewa and Tallangatta as part the annual Strategic Pathlinks program to improve pedestrian access and safety.
- Securing funding for amenity and playground upgrades to the Colac Colac Caravan Park as part of the Federal Government's Building Better Regions Fund.
- Annual re-sealing program delivered resulting in significant improvements to some residential areas and major roads throughout the Shire including Bellbridge, Bethanga, Biggara, Burrowye, Corryong, Cudgewa, Shelley, Tallangatta, Thowgla and Walwa.
- Repairs to Tallangatta Swimming Pool as a result of wear and tear identified during routine maintenance inspections.

Challenges

- There were some limitations to delivering a significant and high value works program due to vacancies in key positions.
-

Our performance

3. Asset management

Services delivered in 2018/19

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	<p>This service maintains Council infrastructure, vehicles, plant and equipment to meet functional and safety needs.</p>

Our performance

3. Asset management

Council Plan progress report

3.	Strategy and strategic indicator(s)	Status	Comments
3.1	Deliver Corryong Airport upgrade <i>For completion by June 2020</i>	Complete	The project was completed in 2018.
3.2	Deliver the Corryong Swimming Pool upgrade <i>For completion by December 2018</i>	Complete	The project was completed prior to the 2018 season.
3.3	Deliver Eskdale Netball Courts upgrade project <i>For completion by June 2019</i>	Complete	The project was completed in early 2019.
3.4	Deliver the Great River Road project <i>Program developed by June 2018 and implemented over the life of the Council Plan</i>	Complete	Project completed. Official opening scheduled for November 2019.
3.5	Deliver the Destination Tallangatta project: foreshore upgrade, path links, playground, road improvements, retail precinct upgrade <i>For completion by June 2020</i>	In Progress	Caravan Park works underway. CBD works continuing. Concept plans for The Triangles developed.
3.6	Deliver town improvement and beautification program: Year 1 Walwa, Year 2 Granya, Year 3 Bethanga, Year 4 Mitta Valley towns <i>For completion in Walwa by December 2019; Granya by June 2020; and Bethanga by December 2020</i>	In Progress	Walwa and Bethanga complete. Granya carpark, Dartmouth and Mitta Mitta to be completed.
3.7	Liaise with VicRoads to consider road safety improvements throughout the Shire (e.g. upgrade Y-intersections to T-intersections) <i>Work to continue over the life of the Council Plan</i>	Ongoing	We continue to liaise with Vicroads through the Towong Shire Traffic Liaison Group. Work commenced on Mitta North Road/Omeo Highway intersection.
3.8	Deliver the adopted Capital Works program <i>Work to continue over the life of the Council Plan</i>	In Progress	73% of the Capital Works program has been completed with the remainder scheduled for completion in 2019/20.

Strategy and strategic indicator(s)	Status	Comments
3.9 Work with VicRoads and other stakeholders to progress the upgrade/sealing of the Benambra-Corryong Road <i>For completion by December 2018</i>	Ongoing	Council continue to seek funding to progress this project.
3.10 Continue Georges Creek Road upgrade and seek funding for improvements to the intersection with River Road <i>Work to continue over the life of the Council Plan</i>	In Progress	Works planned for 2019.
3.11 Seek funding and deliver the strategic path links program <i>Work to continue over the life of the Council Plan</i>	Ongoing	Path links in Eskdale, Tallangatta (Akuna Avenue) and Cudgewa complete
3.12 Complete condition assessments for road assets and non-road assets (e.g. buildings, playgrounds) <i>Condition assessments for road and non-road assets completed by 2021.</i>	Ongoing	Completed in accordance with the Asset Management plan schedules
3.13 Pursue suitable funding to improve Lake Road from Bellbridge to Kurrajong Gap Road <i>Work to continue over the life of the Council Plan</i>	In Progress	Secured blackspot funding from Australian Government.
3.14 Improve town entrances and signage at key locations throughout the Shire <i>Work to continue over the life of the Council Plan</i>	In Progress	New town entrance signage for Eskdale, Dartmouth and Mitta Mitta completed.
3.15 Assess critical stormwater areas in Bethanga for low flow piping <i>For completion by June 2019</i>	In Progress	Completed as part of streetscape upgrade.
3.16 Investigate options for the Bethanga Bay Recreation Reserve <i>For completion by June 2020</i>	In Progress	Investigations are continuing.

Our performance

3. Asset management

Strategic Indicators

Indicators	Target	Result 18/19	Result 19/20	Result 20/21	Target Achieved
Sealed local roads maintained to condition standards	Maintain	99.7%	•	•	Yes
Number of customer requests for unsealed roads	Decrease	68	•	•	Yes
Condition assessments completed in accordance with Asset Management Plan	100%	99.5%	•	•	No
Projects scheduled in Council Plan delivered	100%	93.7%	•	•	No

Service performance indicators

Service	Indicator	Performance Measure	Result 18/19	Target Achieved
Roads	Satisfaction	Satisfaction with sealed local roads - Community rating out of 100	58	Yes

Our performance

4. Land-use planning

Statutory planning services included processing 87 planning permit applications resulting in 65 approvals. Also, 114 building permits were approved by Building Services (a shared services arrangement between Towong and Indigo Shire Councils). Compliance and enforcement activities continued with common issues relating to illegal accommodation and native vegetation removal.

Vacancies in key positions has resulted in less strategic work than was scheduled being completed. Towards the end of the financial year, issues with the proposed C25 Amendment for re-zoning agricultural land to rural living were being resolved with an outcome anticipated in 2019/20. The Tallangatta residential and industrial land study proceeded with recommendations due in 2019/20.

Implementation of a shared services arrangement with Indigo Shire Council (Planning) have commenced, with common processes being developed and senior planning advice being provided by Indigo Shire Council. In the future, more commonality and integration will result in better outcomes for both communities.

Highlights

- Progress on the proposed C25 Amendment
- Implementation and development of shared services with Indigo Planning Department

Challenges

- Vacancies in key positions resulting in the need to defer a number of strategic items.
 - Continuing issues with illegal accommodation and native vegetation removal
-

Our performance

4. Land-use planning

Services delivered in 2018/19

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

Council Plan progress report

Strategy and strategic indicator(s)	Status	Comments
4.1 Finalise the Rural Activity Zone amendment <i>For completion by June 2020</i>	In Progress	The State provided assistance during 2018/19 to progress a modified amendment.
4.2 Analysis of the residential and industrial needs of Tallangatta and identification of future residential and industrial development options for the town <i>For completion by June 2020</i>	Commenced	Urban Enterprise were engaged to deliver the project, with completion expected in October 2019.
4.3 Section 12B Whole of Scheme Review <i>For completion by June 2020</i>	In Progress	Review is being undertaken in conjunction with Alpine and Indigo Shire Councils.
4.4 Creation of Developer Contributions Policy <i>For completion by December 2020</i>	Not yet started	

Strategy and strategic indicator(s)	Status	Comments
4.5 Anomalies/Corrections Amendment <i>For completion by June 2021</i>	Not yet started	
4.6 Potable Water Supply Catchment ESO Amendment <i>For completion by June 2021</i>	Not yet started	
4.7 Roadside Vegetation ESO/VPO Amendment	Deferred	Recommended for Council Plan 2021-2025
4.8 Translation of Upper Murray Flood Study to new Floodway Overlay and Land Subject to Inundation Overlay	Deferred	Recommended for Council Plan 2021-2025
4.9 Tallangatta CBA Mixed Use Zone Amendment	Deferred	Recommended for Council Plan 2021-2025
4.10 Rewrite of MSS and Local Planning Policies including new 'Extractive Industry Haulage Route' Local Planning Policy <i>For completion by June 2021</i>	Not yet started	Recommended for Council Plan 2021-2025
4.11 Clause 52.17 Schedule – Nominate Blackberry as Specified Weed	Deferred	
4.12 Bushfire Management Overlay Schedules <i>For completion by June 2021</i>	Not yet started	
4.13 Wastewater Treatment Plant ESO Amendment (Bellbridge, Corryong and Tallangatta)	Deferred	Recommended for Council Plan 2021-2025
4.14 Backzone areas of General Residential Zone at Corryong to Low Density Residential Zone	Deferred	Recommended for Council Plan 2021-2025
4.15 Significant Landscape Overlay Amendment (as recommended by regional landscape study)	Deferred	Recommended for Council Plan 2021-2025
4.16 Heritage Places Assessment and Heritage Overlay Amendment <i>For completion by June 2021</i>	Not yet started	
4.17 Tom Groggin Rezoning	Deferred	Recommended for Council Plan 2021-2025

Our performance

4. Land-use planning

Strategic Indicators

Indicators	Target	Result 18/19	Result 19/20	Result 20/21	Target Achieved
Time taken to decide planning applications	Maintain	64 days	•	•	No
Planning applications decided within required time frames	Decrease	51.72%	•	•	Yes
Percentage of scheduled planning scheme amendments completed	100%	N/A	•	•	N/A

Service performance indicators

Service	Indicator	Performance Measure	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	N/A ¹

¹ There was one planning decision referred to VCAT in 2018/19 as at 30 June 2019 it remained undecided.

Our performance

5. Environmental sustainability

Street trees have been planted in Granya, Walwa, Corryong and Tallangatta in line with the Tree Management Strategy for 2018/19 and Tree Management Plan. This has improved shade and amenity in these towns and is part of Council's investment in climate change resilience.

The finalisation of the Banking on our Solar Future project saw the installation of solar batteries at the Tallangatta Council Offices which has reduced electricity consumption and operating costs for this building.

Funded by Sustainability Victoria, Council constructed new e-waste sheds at the waste recovery centres in Corryong and Tallangatta. The e-waste sheds allow residents to safely dispose of any item with a plug, battery or cord that is no longer working or wanted. This includes televisions, computers, mobile phones, kitchen appliances and white goods.

Council also participated in regional clusters the Goulburn Broken Greenhouse Alliance to work on joint projects relating to climate change.

Successful meetings were undertaken with North East Water to address wastewater management in Tallangatta and Bellbridge.

Forestry management continues to ensure appropriate standards are maintained for commercial timber harvesting operations on private land. Fire prevention activities include attendance at training conducted by the Country Fire Authority as Council vehicles and plant can be called upon during bushfire or other emergency incidents.

Significant work was undertaken by the Municipal Emergency Management Planning Committee in reviewing and updating the Towong Shire Municipal Emergency Management Plan to support emergency planning, response, recovery and relief operations.

Highlights

- Construction of e-waste sheds and hardstands at the waste recovery centres in Corryong and Tallangatta.
- Completion of major tree planting in Tallangatta, Corryong, Walwa and Granya.
- Completion of tyre storage bay in Corryong to enable more efficient sorting of discarded tyres.
- Compliant management of the Corryong Landfill.

Challenges

- China's contamination threshold on recyclable materials
 - Waste Review completion has been compromised by changes in the recycling sector
-

Our performance

5. Environmental sustainability

Services delivered in 2018/19

Services	Description
Waste Services	This service provides waste collection including kerbside collections of rubbish and recycling from households and commercial properties, special hard waste and green waste collections, transfer station 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	Council 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.

Council Plan progress report

Strategy and strategic indicator(s)	Status	Comments
5.1 Research options for Mitta Mitta town water with North East Water <i>For completion in June 2021</i>	In Progress	North East Water have submitted options for consideration.
5.2 Continue to explore solutions for Bellbridge wastewater expansion (in conjunction with North East Water) <i>For completion in June 2020</i>	In Progress	North East Water are progressing the technical aspects of the project.
5.3 Review waste services across the Shire (including green waste, hard waste, recycling and rubbish bin options) <i>For completion in June 2020</i>	In Progress	Scope of works completed.
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 <i>For completion in June 2020</i>	In Progress	Expansion plan included in North East Waters new Water Plan.

Strategy and strategic indicator(s)	Status	Comments
5.5 Maintain current and future landfills to best practice and investigate improvements to operations (e.g. covers) <i>Work to continue for the life of this Council Plan</i>	Ongoing	Design of cells are complete with approval being sought from the Environment Protection Authority.
5.6 Continue to implement noxious weed control along roadsides with available funding and lobby for additional funding <i>Work to continue for the life of this Council Plan</i>	Ongoing	Roadside blackberry spraying complete for 2018/19. Funding secured to deliver program in 2019/20.
5.7 Encourage adjoining landowners (including DELWP and Parks Victoria) to implement weed controls on their land <i>Work to continue for the life of this Council Plan</i>	Ongoing	Coordinating roadside spraying with Parks Victoria Good Neighbour Program.
5.8 Investigate and seek funding for solar street lighting in key locations <i>Work to continue for the life of this Council Plan</i>	In Progress	Investigations commenced for lighting at Tallangatta boatramp.
5.9 Continue to look at renewable energy projects where funding is available (e.g. Banking on Our Solar Future) <i>Work to continue for the life of this Council Plan</i>	Ongoing	Solar system and battery storage installation is complete.
5.10 Deliver strategic tree plantings under the Tree Management Plan as funding becomes available <i>Work to continue for the life of this Council Plan</i>	In Progress	Major tree planting in Tallangatta, Corryong and Walwa is complete.
5.11 Encourage (and where possible deliver) sustainable design for community buildings and residential development <i>Work to continue for the life of this Council Plan</i>	Ongoing	Design of the Upper Murray Events Centre includes sustainable design principles.
5.12 Support waste initiatives in the North East Regional Waste Implementation Plan and Regional Waste Minimisation Strategy <i>Work to continue for the life of this Council Plan</i>	Ongoing	E-waste shed construction at Tallangatta and Corryong waste facilities complete.
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) <i>For completion in June 2020</i>	In Progress	Council continue to work with North East Water.
5.14 Investigate the options for the development and reporting of Environmental Performance indicators <i>For completion in December 2020</i>	In Progress	Council is a participant of State Government's Local Government Energy Saver Program to deliver energy audits and upgrades.
5.15 Research options available for reticulated sewerage in Eskdale	Not yet started	

Our performance

5. Environmental sustainability

Strategic Indicators

Indicators	Target	Result 18/19	Result 19/20	Result 20/21	Target Achieved
Kerbside bin collection requests	Decrease	47	•	•	Yes
Kerbside collection waste diverted from landfill	Increase	33.11%	•	•	Yes

Service performance indicators

Service	Indicator	Performance Measure	Result 18/19	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	33.11%	Yes
Animal management	Health and safety	Animal management prosecutions - Number of successful animal management prosecutions	N/A ²	N/A

² There have been no animal prosecutions in 2016/17, 2017/18 or 2018/19
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Our performance

6. Economic and tourism development

Delivering on the *Upper Murray 2030 Vision Plan* was a core component of activities undertaken. The Upper Murray branding process was completed and launched in August. Thereafter, Council played an integral role in delivering the Brand Steering Group's *Marketing Upper Murray* program - a self-funded venture jointly developed by the Upper Murray Brand Steering Group, Council and the Man from Snowy River Tourist Association. The program saw the new brand applied to Upper Murray community and tourism marketing material including the installation of Upper Murray gateway signage. In addition, Council's Upper Murray website was rebranded and received considerable structural changes. Social media channels were established and/or rebranded.

Council successfully delivered the *Great River Road* touring route. Works undertaken in the 2018/19 year included: the design, fabrication and installation of gateway and interpretive signage, fabrication and installation of five large-scale artwork pieces, photography, landscaping, website design and development, brochure design and printing.

The community welcomed the Great Victorian Bike Ride to Tallangatta in November 2018 by hosting the *Tallangatta Two Wheels Street Festival* and creating a legacy artwork piece to celebrate the 2018 Great Victorian Bike Ride's Tallangatta leg.

Think-Start-Grow, a program to build the knowledge and awareness of entrepreneurship in the community, was successfully delivered across the Shire. The Program culminated in three businesses successfully pitching to receive six months of intensive one-one-one mentoring. Additionally, the *Understanding Social Enterprise* program to grow awareness and understanding of social enterprise models was delivered in partnership with Rural Councils Victoria.

Council committed to auspicing the *Mitta Mountain Bike Park* Project which was funded through the State Government's Pick My Project program. Council has provided the Project Steering Group with reporting and procurement assistance.

Highlights

- Prepared the Towong Shire Hunting Tourism Community and Stakeholder Engagement Report and submitted a response to the State Government's Draft Deer Management Strategy.
- Delivered community engagement processes and developed plans for the Tintalra Boat ramp.
- Supported Alpine Valleys Dairy through the development and implementation of a communications plan.
- Secured funding for: Building a Resilient Future (Upper Murray 2030 project), Promoting a Vibrant Tallangatta, Colac Colac Caravan Park Revitalisation Project and the Upper Murray Events Centre.
- Developed branded tourism signage for the Mitta Valley and delivered new signage for the Walwa Park.
- Sought and secured tenancy for Davis Cottage.
- Funding applications submitted for: Securing the Future of the Man from Snowy River Bush Festival, Tallangatta Holiday Park Transformation Project and Tallangatta Fifties Festival Rejuvenation Project.

Challenges

- Vacancies in key positions meant not all economic development opportunities could be progressed as desired.
-

Our performance

6. Economic and tourism development

Services delivered in 2017/18

Services	Description
Economic development	The economic development service assists the organisation to facilitate 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.

Council Plan progress report

Strategy and strategic indicator(s)	Status	Comments
6.1 Develop and launch the Valleys Lakes and Vistas tourism website <i>For completion by June 2018</i>	Complete	Project complete.
6.2 Explore options in relation to a Centre for Dairy Excellence in the Upper Murray <i>For completion by June 2021</i>	In Progress	Options are being explored.
6.3 Develop and implement a Recreational Hunting Tourism Strategy <i>For completion by June 2019</i>	In Progress	Focus transferred from development of strategy to 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) <i>For completion by June 2021</i>	In Progress	Consultant engaged to deliver Mitta Mountain Bike Park Masterplan – funded under the Victorian Government's Pick My Project program.
6.5 Explore options to capitalise on Tallangatta's Notable Town status (e.g. establishment of a Museum to celebrate Tallangatta's unique heritage) <i>For completion by June 2021</i>	In Progress	Funding sought under Australian Government's Building Better regions fund was unsuccessful. Council will continue to explore other funding opportunities.

Strategy and strategic indicator(s)	Status	Comments
6.6 Seek further funding and deliver the Upper Murray Events Centre <i>For completion by June 2020</i>	In Progress	Secured \$800,000 in funding from the Victorian Government's Regional Infrastructure Fund in May 2019.
6.7 Secure control of the Lakelands Holiday Park and seek funding to implement the adopted recommendations from the Tallangatta Holiday Park Planning Study <i>Work to continue for the life of this Council Plan</i>	In Progress	Council has committed to engaging with Goulburn Murray Water to achieve this outcome.
6.8 Continue to lobby for improved mobile phone and internet coverage across the Shire <i>Work to continue for the life of this Council Plan</i>	In Progress	Continued participation in Indi Telecommunications Action Group.
6.9 Seek funding for the Connecting Corryong project <i>Work to continue for the life of this Council Plan</i>	In Progress	Funding sought under Australian Government's Building Better regions fund was unsuccessful.
6.10 Work with business operators to assist them to become more profitable (e.g. Business After Hours program, targeted training, etc) <i>Work to continue for the life of this Council Plan</i>	In Progress	Think-Start-Grow Pitchfest delivered and three entrepreneurs engaged in mentoring program. Tallangatta Streetscape Revitalisation Project commenced.
6.11 Work with UM2030 Community Board to deliver outcomes from the UM2030 Plan <i>Work to continue for the life of this Council Plan</i>	In Progress	Great River Road and Building a Resilient Future complete. Branding of the Upper Murray continues to progress. Funding has been sought to assist Upper Murray Inc deliver the UM2030 Agriculture Strategic Plan.
6.12 Advocate for houseboats on Lake Hume and Dartmouth Dam <i>Work to continue for the life of this Council Plan</i>	In Progress	Continued participation in reference group.
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) <i>Work to continue for the life of this Council Plan</i>	In Progress	Discussions underway.

Strategy and strategic indicator(s)	Status	Comments
6.14 Continue to advocate for The Narrows project at Tallangatta <i>Work to continue for the life of this Council Plan</i>	In Progress	Working with the Tallangatta Lake Community Action Group.
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 <i>Work to continue for the life of this Council Plan</i>	In Progress	Working with Mitta Valley Inc and Tourism North East to develop the Mitta Valley Destination Plan.
6.16 Support the delivery of the North East Regional Dairy Growth Plan and Workforce Development Strategy through Alpine Valleys Dairy Pathways Group <i>Work to continue for the life of this Council Plan</i>	In Progress	Continue to work with Alpine Valleys Dairy Inc including the implementation of the AVD communications plan.
6.17 Seek funding to research Indigenous history in the Towong Shire <i>Work to continue for the life of this Council Plan</i>	In Progress	Council continue seek funding to progress this project.
6.18 Promote the Omeo Highway and the Benambra-Corryong Road as touring links to the Gippsland region <i>Work to continue for the life of this Council Plan</i>	In Progress	Council is negotiating with East Gippsland Shire Council to progress this project.
6.19 Seek funding for a Dartmouth RV dump and water point to support RV Friendly town promotion <i>Work to continue for the life of this Council Plan</i>	Complete	Funding secured under the Australian Government's Stronger Communities Program and project delivered in October 2018.
6.20 Create branding for the Great River Road and the Upper Murray and deliver marketing campaign <i>For completion by June 2020</i>	In Progress	Branding including gateway signage, website, touring map have been completed.
6.21 Leverage off Rural Councils Victoria project to attract people to live in rural areas / seek funding opportunity for associated study <i>For completion by June 2020</i>	In Progress	Continued involvement in Rural Councils Victoria.
6.22 Explore options to increase the availability of residential and industrial land across the Shire <i>Work to continue for the life of this Council Plan</i>	In Progress	Consultants engaged to deliver study and recommendations.

Strategy and strategic indicator(s)		Status	Comments
6.23	Host an economic development forum in 2020 <i>For completion by December 2020</i>	Not yet started	
6.24	Investigate options to support/promote farmgate/ agribusiness opportunities <i>For completion by June 2021</i>	In Progress	Working with Tourism North East and Mitta Valley Inc to develop the Mitta Valley Destination Plan.

Strategic indicators

Indicators	Target	Result 18/19	Result 19/20	Result 20/21	Target Achieved
Number of businesses	Increase	908 ³	•	•	No
Utilisation of Visit Upper Murray and Valleys Lakes and Vistas websites	Increase	10291	•	•	Yes

Service performance indicators

Service	Indicator	Performance Measure	Result 18/19	Target Achieved
Economic development	Economic activity	Change in number of businesses - Percentage change in the number of businesses with an ABN in the municipality	-0.66 %	No

³ Counts of Australian Business, June 2018, Australian Bureau of Statistics
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Governance, management and other information

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.

The purpose of Council is to:

- Provide for the peace, order and good government of its municipal district
- Facilitate and encourage appropriate development of its municipal district in the best interests of the community
- Provide equitable and appropriate services and facilities for the community and to ensure that those services and facilities are managed efficiently and effectively
- Manage, improve and develop the resources of its district efficiently and effectively

Council recognises that effective governance is the key to ensuring that Council meets the community's priorities. The community has opportunity to provide formal input into Council's decision making processes through specific community engagement sessions, the 'Open Forum' held in conjunction with Council's monthly meeting, as well as the formal submission process involved with many of Council's key plans.

Many formal decisions are made at Council Meetings; however some of Council's powers have been delegated to Council staff. These delegations are exercised in accordance with Council policies.

Council meetings

Council's ordinary meetings are held monthly (except January where there is no meeting). These meetings are conducted in accordance with Council's Meeting Procedures Local Law.

For the 2018/19 year Council held the following meetings:

- Eleven (11) ordinary council meetings
- Four (4) special council meetings

Committees

Council has two Section 86 special committees and their purposes are as follows:

- Riverview Committee of Management – to provide and manage self-contained accommodation at Riverview Units, Walwa

Governance, management and other information

Governance

Code of conduct

The *Local Government Act 1989* requires councils to develop and approve a Councillor Code of Conduct. The introduction of the *Local Government Amendment (Improved Governance) Act 2015* required Council to review and amend its Councillor Code of Conduct. The revised Code of Conduct was adopted by Council on 5 July 2016.

The Councillor Code of Conduct is designed to:

- Provide good governance for the Towong municipality
- Create common understandings of the different roles of the Councillors and the administration
- Identify key relationships and how they can contribute to good governance
- Support good governance by creating a framework in which legitimate differences in opinions, beliefs and values can be discussed constructively and resolved in the interests of the Towong municipality

In addition to setting out good governance protocols, the Councillor Code of Conduct also outlines:

- Councillor behaviour principles
- Conflict of interest procedures
- Dispute resolution procedures
- Decisions during caretaker periods, and
- Appropriate use of Council resources

Councillor allowances

Mayors and Councillors are entitled to receive an allowance while performing their duty as an elected official. The Victorian Government sets the upper and lower levels for allowances paid to Councillors. Councils are required to review allowance levels by 30 June in the year following a general election and the allowance level determined remains in effect for the full term of the Council.

Councils are divided into three categories based on income and population. Towong Shire Council is a category 1 Council. The Minister for Local Government approved an adjustment factor increase of 2% to Mayoral and Councillor allowances, effective 1 December 2018, under section 73B(4) of the Local Government Act 1989, bringing allowances for category 1 Councils to:

Mayor: \$61,651
Councillors: \$20,636

Council subsequently reviewed Mayoral and Councillor allowances in accordance with section 74(1) of the Act. Accordingly, at its meeting on 4 December 2018 Council endorsed a 2% increase to Mayor and Councillor allowances as required under the local Government Act 1989. Bringing Mayoral and Councillor allowances to:

Mayor: \$60,748
Councillors: \$20,333

Governance, management and other information

Governance

Councillor allowances (continued)

An amount equivalent to the superannuation guarantee contribution is payable in addition to the above set allowance. The superannuation guarantee contribution percentage was 9.5% for 2018/19.

Councillors may also claim a remote travel allowance of \$40 per day to attend meetings held more than 50km from their place of residence.

Councillor expenses

Councillors are reimbursed for expenses incurred whilst performing his or her duties as a Councillor. Council is also required to adopt and maintain a policy in relation to the reimbursement of 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	Travel [^]	Childcare	ICT ⁺	Conferences [*]
Cr David Wortmann ⁴	\$2790	\$0	\$1477	\$3171
Cr Andrew Whitehead	\$443	\$0	\$700	\$300
Cr Aaron Scales ⁵	\$2705	\$0	\$354	\$655
Cr Jennie Star	\$1034	\$0	\$277	\$1159
Cr Peter Tolsher	\$0	\$0	\$162	\$0

[^]Travel including mileage and accommodation

⁺Information and communication technology

^{*}Conferences and training

⁴ Cr David Wortmann was Mayor from 13 November 2018 to 30 June 2019

⁵ Cr Aaron Scales was Mayor from 1 July 2018 to 13 November 2018.

Governance, management and other information

Management

Audit committee

Council's Audit Committee was established by resolution of Council on 19 January 1998. The Committee is an independent advisory committee to Council to assist 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.

The Audit Committee meets quarterly to discuss Council's Budget, finance reports, Council Plan priorities, external and internal audits, OHS, tendering, performance reporting, finance systems, legal compliance actions, risk management and policy development.

During 2018/19, the Audit Committee considered:

Financial management and performance reporting

- Annual financial statements and the external Auditor's reports
- Budget development
- Financial and Council Plan reporting
- Procurement
- Local Government Performance Reporting Framework

Risk management

- Local Government Investigations and Compliance Inspectorate audit
- Risk management strategy and action plan
- OHS Safety Management System
- Legal updates
- Emergency management planning

Business continuity

- Human resource management

Governance

- Audit Committee Charter
- VAGO best practice reports
- Victorian Ombudsman reports

Governance, management and other information

Management

Audit committee members

The Committee is comprised of the Mayor and two or more independent external members. The external independent members of the Audit Committee are appointed for a maximum four year term.

Robert Lees (Chair)

Mr Lees was appointed to the Audit Committee in March 2015. He has had a varied local and international career in commercial development, commodity trading, procurement, and operations management. Robert has significant experience in corporate governance, procurement, strategic planning, lean manufacture, 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. Robert has lived in the Shire for most of his life and currently lives in Bellbridge.

Judy Charlton (to 22 April 2019)

Ms Charlton was appointed to the Audit Committee in August 2017. She is an experienced local government executive with roles including Director Corporate Services at Albury City Council and Chief Executive Officer of Narrandera Shire Council. With tertiary qualifications in Human Resources, Finance, and Information Technology and a Directors Diploma from the Australian Institute of Company she now provides management consulting services to the local government sector.

Kerrie Clarke (to 17 February 2019)

Ms Clarke was appointed to the Audit Committee in March 2015. She is a Certified Practising Accountant and is the Chief Finance Officer at Corryong Health; a position she has held for over 10 years. She holds a Bachelor of Business (Accounting / Finance), is involved in the Corryong SES and resides on 6 acres at Cudgewa with her family.

Governance, management and other information

Management

External audit

Council is externally audited by the Victorian Auditor-General's Office (VAGO). For the 2018/19 year the annual external audit of Council's financial statements and performance statement was conducted by VAGO's representative, Johnsons MME. The external auditors engage with Council's Audit Committee to present their independent audit report. The external audit management letter and responses are also provided to the Audit 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 a conscious decision to improve Council's systems and processes – not to finger point when things go wrong.

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
- Implement transparent and responsible risk management processes, which align with accepted best practice

Governance, management and other information

Governance and management checklist

Governance and management items	Assessment	Result
<p>1 Community engagement policy Policy outlining Council's commitment to engaging with the community on matters of public interest</p>	<p>Policy Date of operation of current policy: 1 December 2009 Community and Engagement Strategy 2018-2021 in practice.</p>	Yes
<p>2 Community engagement guidelines Guidelines to assist staff to determine when and how to engage with the community</p>	<p>Guidelines Date of operation of guidelines: 1 December 2009 Draft updated guidelines were prepared in March 2018 and scheduled for adoption in 2019/20.</p>	Yes
<p>3 Strategic Resource Plan Plan under section 126 of the Act outlining the financial and non-financial resources required for at least the next 4 financial years</p>	<p>Adopted in accordance with section 126 of the Act Date of adoption: 15 August 2017</p>	Yes
<p>4 Annual budget Plan under section 130 of the Act setting out the services to be provided and initiatives to be undertaken over the next 12 months and the funding and other resources required</p>	<p>Adopted in accordance with section 130 of the Act Date of adoption: 26 June 2018</p>	Yes
<p>5 Asset management plans Plans that set out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years</p>	<p>Current plans in operation Date of operation of current plans: Roads – October 2017 Drainage – Draft Buildings and structures - Draft</p>	Yes
<p>6 Rating strategy Strategy setting out the rating structure of Council to levy rates and charges</p>	<p>Current strategy in operation Date of operation of current strategy: 15 August 2017</p>	Yes

Governance, management and other information

Governance and management checklist

Governance and management items	Assessment	Result
<p>7 Risk policy</p> <p>Policy outlining Council's commitment and approach to minimising the risks to Council's operations</p>	<p>Current policy in operation</p> <p>Date of operation of current policy: 5 February 2019</p>	Yes
<p>8 Fraud policy</p> <p>Policy outlining Council's commitment and approach to minimising the risk of fraud</p>	<p>Current policy in operation</p> <p>Date of operation of current policy: 7 May 2019</p>	Yes
<p>9 Municipal emergency management plan</p> <p>Plan under section 20 of the <i>Emergency Management Act 1986</i> for emergency prevention, response and recovery</p>	<p>Prepared and maintained in accordance with section 20 of the <i>Emergency Management Act 1986</i></p> <p>Date of preparation: 17 July 2018</p>	Yes
<p>10 Procurement policy</p> <p>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</p>	<p>Prepared and approved in accordance with section 186A of the <i>Local Government Act 1989</i></p> <p>Date of approval: 6 February 2018</p>	Yes
<p>11 Business continuity plan</p> <p>Plan setting out the actions that will be undertaken to ensure that key services continue to operate in the event of a disaster</p>	<p>Current plan in operation</p> <p>Date of issue: 30 July 2018</p>	Yes
<p>12 Disaster recovery plan</p> <p>Plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster</p>	<p>Current plan in operation</p> <p>Date of audit: 13 November 2018</p>	Yes
<p>13 Risk management framework</p> <p>Framework outlining Council's approach to managing risks to the Council's operations (Integrated Management System)</p>	<p>Current framework in operation</p> <p>Date of operation of current framework: 31 August 2018</p>	Yes

Governance, management and other information

Governance and management checklist

Governance and management items	Assessment	Result
<p>14 Audit Committee Advisory committee of Council under section 139 of the Act whose role is to oversee the integrity of a Council's financial reporting, processes to manage risks to the Council's operations and for compliance with applicable legal, ethical, and regulatory requirements</p>	<p>Committee established in accordance with section 139 of the Act Date of establishment: 18 December 1996</p>	Yes
<p>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</p>	<p>Internal auditor engaged Reason why no auditor engaged: Council has completed a strategic risk assessment and subsequently engaged relevant technical experts to conduct audits of its high risk exposures.</p>	No
<p>16 Performance reporting framework A set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 131 of the Act)</p>	<p>Current framework in operation Date of operation of current framework: 1 July 2018</p>	Yes
<p>17 Council Plan reporting Report reviewing the performance of the Council against the Council Plan, including the results in relation to the strategic indicators, for the first six months of the financial year)</p>	<p>Current report Dates of report: 5 February 2019</p>	Yes
<p>18 Financial reporting Quarterly statements to Council under section 138 of the Act comparing budgeted revenue and expenditure with actual revenue and expenditure</p>	<p>Statements presented to Council in accordance with section 138(1) of the Act Dates statement presented: 4 September 2019, 13 November 2018, 5 February 2019 and 7 May 2019.</p>	Yes

Governance, management and other information

Governance and management checklist

Governance and management items	Assessment	Result
<p>19 Risk reporting</p> <p>Six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies</p>	<p>Reports prepared and presented</p> <p>Date of reports: November 2018, February 2019.</p>	Yes
<p>20 Performance reporting</p> <p>Six-monthly reports of indicators measuring the results against financial and non-financial performance, including performance indicators referred to in section 131 of the Act</p>	<p>Reports prepared and presented</p> <p>Date of reports: 13 November 2018 and 5 May 2019.</p>	Yes
<p>21 Annual report</p> <p>Annual report under sections 131, 132 and 133 of the Act to the community containing a report of operations and audited financial and performance statements</p>	<p>Considered at a meeting of council in accordance with section 134 of the Act</p> <p>Date report presented: 18 October 2018</p>	Yes
<p>22 Councillor Code of Conduct</p> <p>Code under section 76C of the Act setting out the conduct principles and the dispute resolution processes to be followed by Councillors</p>	<p>Reviewed in accordance with section 76C of the Act</p> <p>Date reviewed: 7 February 2017</p>	Yes
<p>23 Delegations</p> <p>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 in accordance with section 98(6) of the Act</p> <p>Date of review: 17 October 2017</p>	Yes
<p>24 Meeting procedures</p> <p>A local law governing the conduct of meetings of council and special committees</p>	<p>Meeting procedures local law made in accordance with section 91(1) of the Act</p> <p>Date local law made: 1 October 2013</p>	Yes

Governance, management and other information

Governance and management checklist

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



Juliana Phelps
Chief Executive Officer
Date: 26 September 2019



Cr David Wortmann
Mayor
Date: 26 September 2019

Governance, management and other information

Statutory information

Documents available for public inspection

The opportunity to access information about Council operations is a vital part of open and accountable government. The following are prescribed documents that are available for public inspection in accordance with regulation 12 of the *Local Government (General) Regulations 2015*:

- a document containing details of overseas or interstate travel (other than interstate travel by land for less than 3 days) undertaken in an official capacity by any Councillor or member of Council staff in the previous 12 months;
- the agendas and minutes of ordinary and special meetings held in the previous 12 months which are kept under section 93 of the Act, other than those agendas and minutes relating to a part of a meeting which was closed to members of the public under section 89 of the Act and are confidential information within the meaning of section 77(2) of the Act;
- the minutes of meetings of special committees established under section 86 of the Act and held in the previous 12 months, other than those minutes relating to a part of a meeting which was closed to members of the public under section 89 of the Act and are confidential information within the meaning of section 77(2) of the Act;
- a register of delegations kept under sections 87(1) and 98(4) of the Act, including the date on which the last review took place under sections 86(6) and 98(6), respectively, of the Act;
- a document containing details of all leases involving land which were entered into by the Council as lessor, including the lessee and the terms and the value of the lease;
- a register maintained under section 224(1A) of the Act of authorised officers appointed under that section;
- a list of donations and grants made by the Council in the previous 12 months, including the names of persons who, or bodies which, have received a donation or grant and the amount of each donation or grant.

Best value

Council applies the principles of Best Value in accordance with legislative requirements. Through its commitment to providing best value to its communities Council takes 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:

- Building control
- Environmental health
- Rates and property
- Information technology support
- Immunisations

In addition, Council has partnered with Alpine Shire Council to establish MomentumOne Shared Services Pty Ltd as a platform for other innovative shared services initiatives. MomentumOne currently provides cost-effective talent and technology solutions to its founding partners as well as other Victorian councils.

Governance, management and other information

Statutory information

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.

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) and implemented the following actions:

- promoted events such as Carers Week, the International Day of People with a Disability
- conducted the Speak Out Loud event to promote access to the services available to all in the community
- developed a Shire-wide disability profile

Domestic Animal Management Plan

In accordance with the *Domestic Animals Act 1994* Council is required to prepare a *Domestic Animal Management Plan* at four yearly intervals and evaluate its implementation in the Annual Report.

Council adopted its Domestic Animal Management Plan 2017 - 2021 in November 2017.

The development of Council's *Domestic Animal Management Plan* 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* includes an Action Plan to assist Council to achieve the Plan's objectives over a four year period.

Governance, management and other information

Statutory information

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.

Protected Disclosure Procedures

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

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

During the 2018/19 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

Sustainable Capacity Indicators

<i>Indicator/measure</i>	Results 2016	Results 2017	Results 2018	Results 2019	Material Variations
<p>Population</p> <p><i>Expenses per head of municipal population</i> [Total expenses / Municipal population]</p>	\$2,241.41	\$2,222.74	\$2,270.84	\$2,450.12	<p>Total expenses were \$14.833 million in 2019 compared to \$13.566 million in 2018, \$12.903 million in 2017 and \$12.915 million in 2016.</p> <p>Total expenses are impacted by the level of staffing throughout the year, levels of depreciation as well as the number of significant projects that Council is project managing e.g. Upper Murray Events Centre, netball court upgrades etc. Staffing levels were higher than prior years due to additional services being provided within childcare in Bellbridge and Walwa. There was also increased employee resourcing compared to previous years.</p> <p>This indicator uses Catalogue 3218.0 - Population Estimates by Local Government Area issued by the Australian Bureau of Statistics for the municipal population denominator, which estimates small increases in population each year for Towong Shire.</p>

Indicator/measure	Results 2016	Results 2017	Results 2018	Results 2019	Material Variations
<p><i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]</p>	\$30,647.34	\$31,147.98	\$33,299.13	\$30,768.09	<p>The value of Council's infrastructure has been increasing over time as capital works are carried out each year renewing or upgrading Council assets.</p> <p>This indicator uses Catalogue 3218.0 - Population Estimates by Local Government Area issued by the Australian Bureau of Statistics for the municipal population denominator, which estimates small increases in population each year for Towong Shire.</p> <p>The result for 2018 should be \$30,794.61 as there was an audit adjustment to the financial statements for infrastructure assets in 2018 that has not been reflected in the Performance Statement for 2018.</p>

<i>Indicator/measure</i>	Results 2016	Results 2017	Results 2018	Results 2019	Material Variations
<p><i>Population density per length of road</i> [Municipal population / Kilometres of local roads]</p>	4.97	4.91	5.05	5.12	<p>This indicator uses Catalogue 3218.0 - Population Estimates by Local Government Area issued by the Australian Bureau of Statistics for the municipal population numerator, which estimates small increases in population each year for Towong Shire.</p> <p>The length of road has not changed over the reporting period.</p>
<p>Own-source revenue <i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]</p>	\$1,569.42	\$1,633.59	\$1,722.80	\$1,904.53	<p>This indicator has increased marginally year on year due to the total rates and charges collected each year increasing to cover the costs of providing services and maintaining infrastructure.</p> <p>In 2019 own source revenue increased more than anticipated due to Council taking over two childcare services in Bellbridge and Walwa part way through the financial year.</p> <p>This indicator uses Catalogue 3218.0 - Population Estimates by Local Government Area issued by the Australian Bureau of Statistics for the municipal population denominator, which estimates small increases in population each year for Towong Shire.</p>

<i>Indicator/measure</i>	Results 2016	Results 2017	Results 2018	Results 2019	Material Variations
<p>Recurrent grants</p> <p><i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]</p>	\$751.48	\$1,457.54	\$1,101.61	\$944.17	<p>The significant increases and decreases on prior year results is due to the timing of payments of the Financial Assistance Grants.</p> <p>In 2017, 2018 and 2019 payments in advance of approximately \$2 million were received (approximately 50% of the following year's allocation). These payments in advance result in significant variability in this measure over time. There was also no Roads to Recovery funding received in 2019. The funding for this program was received in the previous four financial years with the new funding program forecast to start in 2020.</p> <p>This indicator uses Catalogue 3218.0 - Population Estimates by Local Government Area issued by the Australian Bureau of Statistics for the municipal population denominator, which estimates small increases in population each year for Towong Shire.</p>
<p>Disadvantage</p> <p><i>Relative Socio-Economic Disadvantage</i> [Index of Relative Socio-Economic Disadvantage by decile]</p>	6	6	6	5	<p>This indicator uses the Catalogue 2033.0.55.001 - Local Government Area (LGA) Index of Relative Socio-economic Disadvantage issued by the Australian Bureau of Statistics.</p>

Performance statement

Service Performance Indicators

<i>Service/indicator/measure</i>	Results 2016	Results 2017	Results 2018	Results 2019	Material Variations
<p>Aquatic Facilities</p> <p>Utilisation</p> <p><i>Utilisation of aquatic facilities</i></p> <p>[Number of visits to aquatic facilities / Municipal population]</p>	2.27	2.81	1.96	1.92	<p>Council operates two outdoor seasonal swimming pools. There were 11,607 visits recorded in 2019 compared to 11,708 in 2018, 16,322 in 2017 and 13,071 in 2016.</p> <p>This indicator uses Catalogue 3218.0 - Population Estimates by Local Government Area issued by the Australian Bureau of Statistics for the municipal population denominator, which estimates small increases in population each year for Towong Shire.</p>
<p>Animal Management</p> <p>Health and safety</p> <p><i>Animal management prosecutions</i></p> <p>[Number of successful animal management prosecutions]</p>	0	0	0	0	<p>There have been no animal prosecutions within the reporting periods of 2016 to 2019.</p>
<p>Food Safety</p> <p>Health and safety</p> <p><i>Critical and major non-compliance outcome notifications</i></p>	100.00%	100.00%	100.00%	100.00%	

Service/indicator/measure	Results 2016	Results 2017	Results 2018	Results 2019	Material Variations
<p>[Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100</p>					<p>There were seven critical or major non-compliance outcome notifications issued in 2019. This compares to thirteen critical or major non-compliance outcome notifications issued in 2018.</p> <p>All notifications were followed up.</p>
<p>Governance Satisfaction <i>Satisfaction with council decisions</i> [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]</p>	51	NA	59	58	<p>Council participated in the 2019 Community Satisfaction Survey.</p> <p>Council's performance in 2019 outperformed the Small Rural Shire average of 55 as well as the State-wide average of 55 for this indicator.</p> <p>Council did not participate in or conduct a Community Satisfaction survey in 2017 following a 'value for money' evaluation conducted as part of the 2016/17 budget development. Council was unable to justify committing significant ratepayer funds to conduct a 'general' satisfaction survey.</p>
<p>Libraries Participation <i>Active library members</i> [Number of active library members / Municipal population] x100</p>	9.25%	13.09%	12.17%	10.56%	<p>There were 639 active members in 2019 compared to 727 in 2018, 760 in 2017 and 533 in 2016.</p> <p>A new library in Tallangatta was officially opened in August 2016. Council also increased the opening hours from 15.5 to 40 hours per week in 2017.</p>

Service/indicator/measure	Results 2016	Results 2017	Results 2018	Results 2019	Material Variations
					<p>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.</p> <p>Many residents reside outside the two main centres where the static libraries are located and may access other library services in neighbouring municipalities.</p> <p>This indicator uses Catalogue 3218.0 - Population Estimates by Local Government Area issued by the Australian Bureau of Statistics for the municipal population denominator, which estimates small increases in population each year for Towong Shire.</p>
<p>Maternal and Child Health (MCH)</p> <p>Participation</p> <p><i>Participation in the MCH service</i></p> <p>[Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100</p>	80.24%	82.39%	71.58%	81.31%	<p>There were 181 children who attended the MCH service at least once in 2019 compared to 168 in 2018, 204 in 2017 and 197 in 2016.</p> <p>There were 44 birth notifications received in 2019 compared to 35 in 2018, 66 in 2017 and 55 in 2016.</p>
<p>Participation</p> <p><i>Participation in the MCH service by Aboriginal children</i></p> <p>[Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100</p>	66.67%	100.00%	57.14%	66.67%	<p>There are three children registered with the MCH service who identify as having an Aboriginal or Torres Strait Islander background in 2019 compared to four in 2018 and two in 2017 and 2016.</p> <p>Two of the three children have actively participated in the MCH service in 2019.</p>

Service/indicator/measure	Results 2016	Results 2017	Results 2018	Results 2019	Material Variations
<p>Roads</p> <p>Satisfaction</p> <p><i>Satisfaction with sealed local roads</i></p> <p>[Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]</p>	54	NA	58	58	<p>Council participated in the 2019 Community Satisfaction Survey.</p> <p>Council's performance in 2019 outperformed the Small Rural Shire average of 53 as well as the State-wide average of 56 for this indicator.</p> <p>Council did not participate in or conduct a Community Satisfaction survey in 2017 following a 'value for money' evaluation conducted as part of the 2016/17 budget development. Council was unable to justify committing significant ratepayer funds to conduct a 'general' satisfaction survey.</p>
<p>Statutory Planning</p> <p>Decision making</p> <p><i>Council planning decisions upheld at VCAT</i></p> <p>[Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100</p>	100.00%	100.00%	100.00%	NA	<p>There were no VCAT decisions in 2019.</p> <p>There was one VCAT decision in relation to planning applications in 2018, 2017 and 2016. All VCAT decisions did not set aside Council's decision in relation to the planning application.</p>
<p>Waste Collection</p> <p>Waste diversion</p> <p><i>Kerbside collection waste diverted from landfill</i></p>	32.32%	32.74%	32.94%	14.69%	

Service/indicator/measure	Results 2016	Results 2017	Results 2018	Results 2019	Material Variations
[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100					The assumptions of average weight of recyclables compared to garbage and organics used for this indicator were updated following the results of a kerbside bin audit report conducted in autumn 2017.

Performance statement

Basis of preparation

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

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

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

The forecast figures included in the Performance Statement are those adopted by Council in its Strategic Resource Plan on 26 June 2018 which forms part of the Council Plan. The Strategic Resource Plan includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General Purpose Financial Statements. The Strategic Resource Plan can be obtained by visiting Council's website www.towong.vic.gov.au or is available for viewing at the Tallangatta or Corryong offices.

Performance statement

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.



Mr Blair Phillips, Certified Practising Accountant

Principal Accounting Officer

Tuesday 24 September 2019

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

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

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

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



Cr David Wortmann

Mayor

Tuesday 24 September 2019



Cr Andrew Whitehead

Councillor

Tuesday 24 September 2019



Ms Juliana Phelps, Chartered Accountant

Chief Executive Officer

Tuesday 24 September 2019

Performance statement

Auditor-General's report



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 municipality for the year ended 30 June 2019 • sustainable capacity indicators for the year ended 30 June 2019 • service performance indicators for the year ended 30 June 2019 • financial performance indicators for the year ended 30 June 2019 • basis of preparation for the year ended 30 June 2019 • certification of the performance statement. <p>In my opinion, the performance statement presents fairly, in all material respects, the performance of the council for the year ended 30 June 2019, in accordance with the performance reporting requirements of Part 6 of the <i>Local Government Act 1989</i>.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Performance Statement</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the performance statement in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Councillors' responsibilities for the performance statement	<p>The Councillors of the council are responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the <i>Local Government Act 1989</i>, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the statement of performance that is free from material misstatement, whether due to fraud or error.</p>
Auditor's responsibilities for the audit of the performance statement	<p>As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the performance statement based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the performance statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Standards on Assurance Engagements will always detect a material misstatement when it exists.</p>

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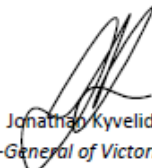
Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of this performance statement.

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

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

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

MELBOURNE
25 September 2019


 Jonathan Kyvelidis
as delegate for the Auditor-General of Victoria

Financial Statements

Comprehensive Income Statement for the year ending 30 June 2019

	Note	2019 \$'000	2018 \$'000
Income			
Rates and charges	3.1	8,820	8,344
Statutory fees and fines	3.2	229	194
User fees	3.3	853	575
Grants – operating	3.4	7,310	5,653
Grants – capital	3.4	4,180	2,935
Net gain/ (loss) on disposal of property, infrastructure, plant and equipment	3.5	57	155
Fair value adjustments for investment property	6.3	35	16
Share of net profit/(loss) of joint arrangements	6.2	-	10
Other income	3.6	1,536	1,008
Total income		23,020	18,890
Expenses			
Employee costs and benefits	4.1	6,177	5,566
Materials and services	4.2	4,366	4,136
Depreciation and amortisation	4.3	4,011	3,580
Bad and doubtful debts	4.4	3	-
Borrowing costs	4.5	29	17
Other expenses	4.6	247	267
Total expenses		14,833	13,566
Surplus/(Deficit)		8,187	5,324
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation increment	6.1	-	123
Comprehensive result		8,187	5,447

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

Balance Sheet as at 30 June 2019

	Note	2019 \$'000	2018 \$'000
Assets			
Current assets			
Cash and cash equivalents	5.1(a)	5,119	2,752
Other financial assets	5.1(b)	18,000	15,010
Trade and other receivables	5.1(c)	2,711	1,600
Inventories	5.2(a)	234	307
Other assets	5.2(b)	151	244
Total current assets		26,215	19,913
Non-current assets			
Trade and other receivables	5.1(c)	87	98
Investments in joint arrangements	5.2(b)	45	45
Property, infrastructure, plant and equipment	6.1	198,297	195,994
Investment property	6.3	1,075	1,040
Intangible assets	5.2(c)	193	444
Total non-current assets		199,697	197,621
Total assets		225,912	217,534
Liabilities			
Current liabilities			
Trade and other payables	5.3(a)	973	817
Trust funds and deposits	5.3(b)	333	298
Provisions	5.5	1,429	1,224
Interest-bearing liabilities	5.4	54	52
Total current liabilities		2,789	2,391
Non-current liabilities			
Provisions	5.5	928	1,084
Interest-bearing liabilities	5.4	253	305
Total non-current liabilities		1,181	1,389
Total liabilities		3,970	3,780
Net Assets		221,942	213,754
Equity			
Accumulated surplus		106,009	97,821
Reserves	9.1	115,933	115,933
Total Equity		221,942	213,754

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

Statement of Changes in Equity for the year ending 30 June 2019

	Note	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000
2019				
Balance at beginning of the financial year		213,754	97,821	115,933
Surplus/(deficit) for the year		8,187	8,187	-
Net asset revaluation increment/(decrement)	6.2	-	-	-
Transfers to other reserves		-	-	-
Transfers from other reserves		-	-	-
Balance at end of the financial year		221,941	106,008	115,933
2018				
Balance at beginning of the financial year		202,616	86,806	115,810
Adjustment for change in accounting policy – Land under roads	9.4	5,691	5,691	-
Surplus/(deficit) for the year		5,324	5,324	-
Net asset revaluation increment/(decrement)	6.2	123	-	123
Transfers to other reserves		-	-	-
Transfers from other reserves		-	-	-
Balance at end of the financial year		213,754	97,821	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 ending 30 June 2019

	Note	2019 Inflows/ (Outflows) \$'000	2018 Inflows/ (Outflows) \$'000
Cash flows from operating activities			
Rates and charges		8,580	8,316
Statutory fees and fines		229	194
User fees		853	575
Grants – operating		7,310	5,653
Grants – capital		4,180	2,935
Interest		559	375
Other receipts		229	315
Trust funds and deposits		35	(26)
Payments to suppliers		(4,443)	(4,597)
Payments to employees		(5,963)	(5,447)
Net cash provided by (used in) operating activities	9.2	11,569	8,293
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment	6.1	(6,196)	(7,100)
Proceeds from sale of property, infrastructure, plant and equipment	3.5	63	224
Payments for investments		(2,990)	(3,525)
Net cash provided by (used in) investing activities		(9,123)	(10,401)
Cash flows from financing activities			
Finance costs		(29)	(17)
Proceeds from borrowings		-	391
Repayment of interest bearing loans and borrowings		(50)	(45)
Net cash provided by (used in) financing activities		(79)	329
Net increase/ (decrease) in cash and cash equivalents		2,367	(1,779)
Cash and cash equivalents at the beginning of the financial year		2,752	4,531
Cash and cash equivalents at the end of the financial year	5.1(a)	5,119	2,752
Financing arrangements			
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 ending 30 June 2019

	Note	2019 \$'000	2018 \$'000
Property			
Buildings		1,563	677
Total Buildings		1,563	677
Total Property		1,563	677
Plant and equipment			
Plant, machinery and equipment		523	1,298
Computer equipment		14	18
Library books		23	30
Total plant and equipment		560	1,346
Infrastructure			
Roads		3,093	3,165
Bridges		10	268
Footpaths and cycleways		164	266
Kerb and channel		76	480
Drainage		17	26
Guardrail		60	6
Parks, open space and streetscapes		652	411
Landfill		1	219
Other infrastructure		-	237
Total infrastructure		4,073	5,078
Total capital works expenditure		6,196	7,101
Represented by:			
New asset expenditure		212	472
Asset renewal expenditure		4,897	5,580
Asset upgrade expenditure		1,087	1,049
Asset expansion expenditure		-	-
Total capital works expenditure		6,196	7,101

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

Financial Statements

Notes to the financial statements

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 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); and
- other areas requiring judgements.

Financial Statements

Notes to the financial statements (continued)

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

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.

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

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

Financial Statements

Notes to the financial statements (continued)

1.1. Income and expenditure

	Actual 2019 \$'000	Budget 2019 \$'000	Variance		Ref
			\$'000	%	
Income					
Rates and charges	8,820	8,788	32	-%	
Statutory fees and fines	229	194	35	18%	1
User fees	853	582	271	47%	2
Grants – operating (recurrent)	5,716	5,214	502	10%	3
Grants – operating (non-recurrent)	1,594	266	1,328	499%	4
Grants – capital (recurrent)	-	-	-	-%	
Grants – capital (non-recurrent)	4,180	1,289	2,891	224%	5
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	57	-	57	-%	
Fair value adjustments for investment property	35	-	35	-%	
Share of net profits/(loss) of joint arrangement	-	-	-	-%	
Other income	1,536	773	763	99%	6
Total income	23,020	17,106	5,914	35%	
Expenses					
Employee costs	6,177	6,343	166	3%	7
Materials and services	4,366	4,069	(297)	(7%)	8
Depreciation and amortisation	4,011	3,930	(81)	(2%)	
Bad and doubtful debts	3	-	(3)	-%	
Borrowing costs	29	35	6	17%	9
Other expenses	247	768	521	68%	10
Total expenses	14,833	15,145	312	2%	
Surplus/ (deficit) for the year	8,187	1,961	6,226	317%	

Financial Statements

Notes to the financial statements (continued)

Explanation of material variations

Ref	Item	Explanation
1	Statutory fees and fines	Town planning fees were above budget by \$41,000 due to a number of large planning permits.
2	User fees	Council's received a number of user fees that were not budgeted. These included: <ul style="list-style-type: none"> - Childcare fees \$105,000 above budgeted levels due to taking over the Bellbridge and Walwa Early Years Learning Centres from early 2019 - Redemption of a bank guarantee for \$53,000 relating to the construction of the Tallangatta Library, Early Years and Community Centre.
3	Grants – operating (recurrent)	In June 2019, Council received approximately half of the 2019/20 Financial Assistance Grants in advance from the Victorian Grants Commission. This amount included an increased allocation.
4	Grants – operating (non-recurrent)	Council received a number of non-recurrent operating grants that were unbudgeted. These included: <ul style="list-style-type: none"> - \$300,000 for the construction of the Upper Murray Events Centre - \$261,000 in special circumstances and sustainability childcare funding for the Bellbridge and Walwa Early Years Centres - \$160,000 for the Cudgewa Netball Court upgrade - \$138,000 for the Mitta Valley Mountain Bike Park - \$90,000 for the Think-Start-Grow entrepreneurship project - \$70,000 for the Community Systems mapping for Violence Free Living.
5	Grants – capital (non-recurrent)	Council secured a number of significant non-recurrent capital grants that were unbudgeted. These included: <ul style="list-style-type: none"> - \$1.7 million from the Fixing Country Roads Program for projects in Corryong, Eskdale and Bethanga - \$694,000 for reimbursement of expenditure incurred to undertake flood damage repairs - \$265,000 for the Destination Tallangata received earlier than anticipated.
6	Other income	Council received \$245,000 of interest income above budgeted levels due to cash holdings being greater than originally anticipated. Council also received community contributions towards capital projects of \$191,000 that were unbudgeted.

Financial Statements

Notes to the financial statements (continued)

Ref	Item	Explanation
7	Employee costs and benefits	<p>There were savings in employee costs and benefits due to a number of factors including:</p> <ul style="list-style-type: none"> - a number of positions remaining vacant for longer than anticipated - planning services and maternal and child health services operating at reduced resourcing levels <p>Some of these vacancies were filled using contractors, which fall under the Materials and services expense category. Some of the savings however were offset by taking over the running of the Bellbridge and Walwa Early Years Learning Centres. The employee costs of running these two services were not budgeted.</p>
8	Materials and services	<p>Council had a number of project expenses that were not budgeted in 2018/19 however grant funding was received to deliver these projects. These included:</p> <ul style="list-style-type: none"> - \$156,000 for the Eskdale Netball Court upgrade - \$80,000 for the Think-Start-Grow entrepreneurship program. <p>Council budgeted to enter into a second finance lease for a garbage truck purchase in 2018/19. This purchase will be carried forward into 2019/20 therefore there is a saving in interest costs. Council's contribution of \$500,000 for the Upper Murray Events Centre will be incurred later than anticipated. This expense budget will be carried forward into 2019/20</p>

Financial Statements

Notes to the financial statements (continued)

1.1. Capital works

	Actual	Budget	Variance		Ref
	2019 \$'000	2019 \$'000	\$'000	%	
Property					
Buildings	1,563	2,005	442	22%	1
Total buildings	1,563	2,005	442	22%	
Total property	1,563	2,005	442	22%	
Plant and equipment					
Plant, machinery and equipment	523	918	395	43%	2
Library books	23	30	7	23%	3
Computers and telecommunications	14	515	501	97%	4
Total plant and equipment	560	1,463	903	62%	
Infrastructure					
Roads	3,093	2,235	(858)	(38%)	5
Bridges	10	110	100	91%	6
Footpaths and cycleways	164	280	116	41%	7
Kerb and channel	76	545	469	86%	8
Drainage	17	98	81	83%	9
Guardrail	60	30	(30)	(100%)	10
Parks, open space and streetscapes	652	1,859	1,207	65%	11
Landfill	1	-	(1)	-%	
Total infrastructure	4,073	5,157	1,084	21%	
Total capital works expenditure	6,196	8,625	2,429	28%	
Represented by:					
New asset expenditure	212	725	513	71%	
Asset renewal expenditure	4,897	7,650	2,753	36%	
Asset upgrade expenditure	1,087	250	(837)	(335%)	
Asset expansion expenditure	-	-	-	-%	
Total capital works expenditure	6,196	8,625	2,429	28%	

Note: the budget in the above Statement of Capital works has been adjusted from the adopted budget to reflect the accounting treatment of the actual asset expenditure capitalised per asset category. The asset categories that have been adjusted include Buildings, Parks, open space and streetscapes and Other infrastructure. The total capital works expenditure budget has not changed.

Financial Statements

Notes to the financial statements (continued)

Explanation of material variations

Ref	Item	Explanation
1	Buildings	Capital works for the Tallangatta Caravan Park of \$593,000 and the shopfronts and verandahs on Towong Street Tallangatta of \$150,000 will be carried forward to 2019/20 in accordance with delivery of the Destination Tallangatta project. Works for the Infrastructure expansion in Corryong of \$273,000 will also be carried forward to 2019/20. Expenditure for the Great River Road project was \$331,000 higher than budget due to timing variance as \$495,000 (half of the project budget) was budgeted in 2017/18.
2	Plant, machinery and equipment	The garbage truck purchase of \$400,000 will be carried forward to 2019/20.
3	Library resources	There were a number of library resources that did not arrive until July. The balance remaining will be carried forward to 2019/20.
4	Computers and telecommunications	The wireless infrastructure project of \$300,000 and Finance system upgrade of \$165,000 will be carried forward into 2019/20.
5	Roads	There were a number of unbudgeted road projects that were undertaken under the Fixing Country Roads program in 2018/19. This funding program was launched in 2018/19 and has allowed Council to bring some funding forward from future years in its Long Term Financial Plan for roads renewal projects to start in 2018/19. There has been \$767,000 spent in 2018/19 for projects in this program. Council has secured approximately \$2.6 million in grant funding from the State Government going towards these projects totalling \$3.7 million. It is anticipated these projects will be complete in 2020.
6	Bridges	Initial designs have been completed in 2018/19 with bridge works scheduled to be carried out in 2019/20.
7	Footpaths and cycleways	The \$100,000 budget allocation for strategic paths to support the Building Better Regions funding application which was unsuccessful has not been spent and will therefore be carried forward to 2019/20.
8	Kerb and channel	Significant kerb and channel works in Corryong were put on hold whilst awaiting the decision of the Fixing Country Roads funding application. It has since been announced that this application was successful and the planned works will now be scheduled in 2019/20.
9	Drainage	Budgeted drainage works for Wise Street Bethanga of \$68,000 were included as part of the larger Bethanga streetscape works carried out under the Fixing Country Roads projects. Actual expenditure has been recognised under the Roads asset category.
10	Guardrail	There were guardrail works carried forward from 2017/18 of \$30,000.

Financial Statements

Notes to the financial statements (continued)

11	Parks, open space and streetscapes	<p>Timing of works being carried out is the main reason for this large variance. It is made up of the following projects:</p> <ul style="list-style-type: none"> - Town entrances of \$293,000 has not been spent and will be carried forward to 2019/20. - Streetscape projects have not progressed as budgeted with: <ul style="list-style-type: none"> o \$236,000 for the Building Better Regions project in Corryong o \$225,000 budgeted in 2018/19 for the Granya streetscape with majority of works carried out in 2017/18 o \$161,000 to be carried forward to 2019/20 for the Akuna Avenue streetscape o \$107,000 to be carried forward to 2019/20 for the Walwa streetscape - \$150,000 for a project from the Upper Murray 2030 Vision Plan
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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.

Financial Statements

Notes to the financial statements (continued)

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

2019	Income	Expenses	Surplus/ (deficit)	Grants (included in income)	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
Organisational improvement	12,294	6,884	5,410	3,336	2,070
Community wellbeing	1,874	1,447	427	1,507	11,256
Asset management	5,788	4,806	982	5,392	177,844
Land-use planning	106	209	(103)	-	-
Environmental sustainability	1,728	1,007	721	72	703
Economic and tourism development	1,230	480	750	1,183	6,424
Total	23,020	14,833	8,187	11,490	198,297

2018	Income	Expenses	Surplus/ (deficit)	Grants (included in income)	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
Organisational improvement	10,703	2,468	8,235	2,691	2,054
Community wellbeing	1,050	1,342	(292)	746	11,191
Asset management	4,338	5,840	(1,502)	4,220	176,415
Land-use planning	191	319	(128)	70	-
Environmental sustainability	1,964	2,704	(740)	324	828
Economic and tourism development	644	893	(249)	537	5,506
Total	18,890	13,566	5,324	8,588	195,994

Financial Statements

Notes to the financial statements (continued)

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 2018/19 was \$1,546 million (2017/18 \$1,387 million). The 2018/19 rate in the CIV dollar was 0.3790 cents to 1.5158 cents (2017/18 0.4017 cents to 1.6067 cents).

	2019 \$'000	2018 \$'000
Residential general rates	1,332	1,287
Business general rates	170	163
Rural residential general rates	1,003	957
Rural general rates	3,584	3,375
Undeveloped residential general rates	113	134
Municipal charge	1,150	1,107
Kerbside collection charge	1,024	845
Waste facilities management charge	393	397
Revenue in lieu of rates	51	79
Total rates and charges	8,820	8,344

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2018, and the valuation was first applied in the rating year commencing 1 July 2018. Annual rates and charges are recognised as revenue when Council issues annual rates notices. Supplementary rates are recognised when a valuation and reassessment is completed and a supplementary rates notice issued.

3.2 Statutory fees and fines

	2019 \$'000	2018 \$'000
Land information certificates	8	8
Health registration fees	30	39
Permits	110	87
Town planning fees	81	60
Total statutory fees and fines	229	194

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.

Financial Statements

Notes to the financial statements (continued)

3.3 User fees

	2019 \$'000	2018 \$'000
Children's program fees	356	247
External private works	12	4
Refuse disposal fees	217	186
Saleyard dues	37	13
Septic tank fees	8	5
Swimming pool fees	40	38
Other fees and charges	183	82
Total user fees	853	575

User fees are recognised as revenue when the service has been provided or Council has otherwise earned the income.

3.4 Funding from other levels of government

Grants were received in respect of the following:

	2019 \$'000	2018 \$'000
Summary of grants		
Commonwealth funded grants	6,774	6,736
State funded grants	4,716	1,852
Total	11,490	8,588
a) Operating Grants		
Recurrent - Commonwealth Government		
Financial Assistance Grants – General Purpose	3,216	2,691
Financial Assistance Grants – Local Roads	1,844	1,851
Recurrent - State Government		
Family and children	470	456
Community	114	112
Emergency services	60	60
School crossing supervisors	12	15
Total recurrent operating grants	5,716	5,185
Non-recurrent – Commonwealth Government		
Family and children	242	-
Recreation	160	-
Non-recurrent – State Government		

	2019	2018
	\$'000	\$'000
Community	242	122
Family and children	187	75
Infrastructure	390	101
Environment	37	37
Corporate	28	-
Recreation	156	-
Planning	-	70
Economic development	152	63
Total non-recurrent operating grants	1,594	468
Total operating grants	7,310	5,653

	2019	2018
	\$'000	\$'000
b) Capital Grants		
<i>Recurrent – Commonwealth Government</i>		
Roads to Recovery	-	1,396
Total recurrent capital grants	-	1,396
<i>Non-recurrent – Commonwealth Government</i>		
Infrastructure - National Stronger Regions Fund	1,293	798
Infrastructure – Stronger Communities	18	-
<i>Non-recurrent – State Government</i>		
Infrastructure (buildings)	75	79
Family and children	5	-
Roads – Fixing Country Roads Program	1,764	-
Recreation	69	-
Flood remediation works	694	-
Other infrastructure	262	662
Total non-recurrent capital grants	4,180	1,539
Total capital grants	4,180	2,935
Total Grants	11,490	8,588

Financial Statements

Notes to the financial statements (continued)

	2019 \$'000	2018 \$'000
c) Unspent grants received on condition that they be spent in a specific manner		
Balance at start of year	1,353	1,301
Received during the financial year and remained unspent at balance date	2,232	1,051
Received in prior years and spent during the financial year	(800)	(999)
Balance at year end	2,785	1,353

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

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

	2019 \$'000	2018 \$'000
Proceeds of sale	63	224
Written down value of assets disposed	(6)	(69)
Total net gain/ (loss) on disposal of property, infrastructure, plant and equipment	57	155

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

	2019 \$'000	2018 \$'000
Interest	476	383
Interest on rates	63	53
Community contributions	192	10
Other rent	115	56
Shared service	126	144
Secretariat fees	155	150
Other	409	212
Total other income	1,536	1,008

Financial Statements

Notes to the financial statements (continued)

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 Employee costs and benefits

	2019 \$'000	2018 \$'000
Wages and salaries	4,951	4,501
WorkCover	70	80
Annual leave and long service leave	574	465
Superannuation	555	488
Fringe benefits tax	27	32
Total employee benefits	6,177	5,566

Superannuation

Council made contributions to the following funds:

	2019 \$'000	2018 \$'000
Defined benefit funds		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	52	52
	52	52
Employer contributions payable at reporting date	-	-
Accumulation funds		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	254	182
Employer contributions to other funds	236	238
	490	420
Employer contributions payable at reporting date	13	16
Total Superannuation	555	488

Financial Statements

Notes to the financial statements (continued)

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

4.2 Materials and services

	2019 \$'000	2018 \$'000
Materials and services	2,221	2,009
Contract payments	494	359
Maintenance – buildings, towns, parks and gardens	865	1,071
Plant and equipment maintenance	599	545
Utilities	187	152
Total materials and services	4,366	4,136

4.3 Depreciation and amortisation

	2019 \$'000	2018 \$'000
Property	670	645
Plant and equipment	534	517
Infrastructure	2,682	2,360
Landfill airspace amortisation	125	58
Total depreciation and amortisation	4,011	3,580

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

4.4 Bad and doubtful debts

	2019 \$'000	2018 \$'000
Sundry debtors	3	-
Total bad and doubtful debts	3	-

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.

Financial Statements

Notes to the financial statements (continued)

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

4.5 Borrowing costs

	2019 \$'000	2018 \$'000
Bank fees	14	6
Interest - Finance leases	13	11
Interest - Loans	2	-
Total borrowing costs	29	17

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.

4.6 Other expenses

	2019 \$'000	2018 \$'000
Auditors' remuneration – Victorian Auditor General's Office (VAGO) – audit of Financial Statements, Performance Statement and grant acquittals	40	30
Councillors' allowances	157	156
Contributions	50	81
Total other expenses	247	267

Financial Statements

Notes to the financial statements (continued)

Note 5. Our financial position

5.1 Financial assets

a) Cash and cash equivalents

	2019 \$'000	2018 \$'000
Cash on hand	1	1
Cash at bank	412	262
Money market call account	4,706	2,489
Total cash and cash equivalents	5,119	2,752

b) Other financial assets

	2019 \$'000	2018 \$'000
Term deposits (current)	18,000	15,010
Total other financial assets	18,000	15,010

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.

	2019 \$'000	2018 \$'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)	333	298
Restricted Funds	333	298
Total unrestricted cash and cash equivalents	4,786	2,454
Intended allocations		
Although not externally restricted the following amount has been allocated for specific future purposes by Council:		
- Cash held to fund carried forward capital works	4,452	4,466
- Cash held to fund future defined benefits call	500	500
	4,952	4,966

Financial Statements

Notes to the financial statements (continued)

c) Trade and other receivables

	2019 \$'000	2018 \$'000
Current		
<i>Statutory receivables</i>		
Rates debtors	872	645
Walwa Waste Water Supply Scheme debtors	12	31
Eskdale Water Supply Scheme debtors	4	5
Fire Services Property Levy debtors	101	88
<i>Other debtors</i>		
Sundry debtors	1,429	629
Net GST receivable	293	201
Other debtors	-	1
Total current trade and other receivables	2,711	1,600
Non-current		
<i>Statutory receivables</i>		
Walwa Waste Water Supply Scheme debtors	84	93
Eskdale Water Supply Scheme debtors	3	5
Total non-current trade and other receivables	87	98
Total trade and other receivables	2,798	1,698

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:

	2019 \$'000	2018 \$'000
Current (not yet due)	1,417	609
Past due by up to 30 days	8	5
Past due between 31 and 180 days	2	9
Past due between 181 and 365 days	2	2
Past due by more than 1 year	-	4
Total sundry debtors	1,429	629

Financial Statements

Notes to the financial statements (continued)

5.2 Non-financial assets

a) Inventories

	2019	2018
	\$'000	\$'000
Inventories held for distribution	234	307
Total inventories	234	307

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

b) Other assets

	2019	2018
	\$'000	\$'000
Current		
Prepayments	45	39
Accrued income	106	205
Total other assets	151	244

c) Intangible assets

	2019	2018
	\$'000	\$'000
Landfill air space	193	444
Total intangible assets	193	444

	Landfill \$'000
Gross carrying amount	
Balance at 1 July 2018	928
Reclassification	-
Additions	-
Balance at 30 June 2019	928
Accumulated amortisation and impairment	
Balance at 1 July 2018	(484)
Reclassification	-
Amortisation expense	(251)
Balance at 30 June 2019	(735)
Net book value at 30 June 2018	444
Net book value at 30 June 2019	193

Financial Statements

Notes to the financial statements (continued)

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

	2019 \$'000	2018 \$'000
Trade payables	735	7
Accrued wages	224	186
Prepaid income	14	57
Accrued expenses	-	567
Total trade and other payables	973	817

b) Trust funds and deposits

	2019 \$'000	2018 \$'000
Retention amounts	156	134
Fire Services Property Levy	139	128
Refundable deposits	38	36
Total trust funds and deposits	333	298

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.

Financial Statements

Notes to the financial statements (continued)

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

	2019 \$'000	2018 \$'000
Current		
Borrowings	-	-
Finance leases	54	52
	54	52
Non-current		
Borrowings	11	9
Finance leases	242	296
	253	305
Total interest-bearing liabilities	307	357

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.

	2019 \$'000	2018 \$'000
Borrowings are secured by Council rates.		
i. The maturity profile for Council's borrowings is:		
Not later than one year	-	-
Later than one year and not later than five years	11	9

Financial Statements

Notes to the financial statements (continued)

Later than five years	-	-
	11	9
<p style="padding-left: 40px;">i. The maturity profile for Council's finance lease liabilities is:</p>		
Not later than one year	54	52
Later than one year and not later than five years	242	296
Later than five years	-	-
	296	348

Council has a finance lease in place for a garbage truck over a five year period. Monthly instalments are payable with a residual payable at the end of the lease.

Financial Statements

Notes to the financial statements (continued)

5.5 Provisions

	Employee \$'000	Landfill restoration \$'000	Total \$'000
2019			
Balance at beginning of the financial year	1,323	985	2,308
Additional provisions	681	-	681
Amounts used	(506)	(126)	(632)
Balance at the end of the financial year	1,498	859	2,357
2018			
Balance at beginning of the financial year	1,246	525	1,771
Additional provisions	521	489	1,010
Amounts used	(444)	(29)	(473)
Balance at the end of the financial year	1,323	985	2,308

	2019 \$'000	2018 \$'000
Current provisions		
Employee provisions	1,429	1,224
Total current provisions	1,429	1,224
Non-current provisions		
Employee provisions	69	98
Landfill restoration	859	986
Total non-current provisions	928	1,084
Total provisions	2,357	2,308

Financial Statements

Notes to the financial statements (continued)

(a) Employee provisions

	2019 \$'000	2018 \$'000
Current provisions expected to be wholly settled within 12 months		
Annual leave	394	312
Long service leave	101	90
Flexi time	20	10
	515	412
Current provisions expected to be wholly settled after 12 months		
Long service leave (90% of current LSL provision)	914	812
	914	812
Total current employee provisions	1,429	1,224
Non-current		
Long service leave	69	98
Total non-current employee provisions	69	98
Aggregate carrying amount of employee benefits:		
Current	1,429	1,224
Non-current	69	98
Total aggregate carrying amount of employee provisions	1,498	1,322

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 2019.

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.

Financial Statements

Notes to the financial statements (continued)

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

	2019 \$'000	2018 \$'000
Current	-	-
Non-current	859	986
Total	859	986

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.

Financial Statements

Notes to the financial statements (continued)

Financing arrangements

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

	2019 \$'000	2018 \$'000
Master lease	400	400
Credit card facility	25	25
Total facilities	425	425
Used facilities	303	353
Unused facilities	122	72

5.6 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.

2019	Not later than 1 year	1 to 2 years	2 to 5 years	Later than 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Operating	-	-	-	-	-
Total	-	-	-	-	-
Capital					
Reseal program	600	600	-	-	1,200
Digouts/major patching	400	-	-	-	400
Total	1,000	600	-	-	1,600

Financial Statements

Notes to the financial statements (continued)

2018	Not later than 1 year	1 to 2 years	2 to 5 years	Later than 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Operating	-	-	-	-	-
Total	-	-	-	-	-
Capital					
Reseal program	600	-	-	-	600
Digouts/major patching	400	-	-	-	400
Total	1,000	-	-	-	1,000

Operating lease commitments

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

	2019 \$'000	2018 \$'000
Not later than one year	23	22
Later than one year and not later than five years	24	47
Later than five years	-	-
	47	69

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

Financial Statements

Notes to the financial statements (continued)

Note 6. Assets we manage

6.1 Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment

	At fair value 30 June 2018	Acquisitions	Revaluation	Change in accounting policy	Depreciation	Disposal	Transfers	Reclassi- fication	At fair value 30 June 2019
	\$'000	\$'000	\$'000		\$'000	\$'000	\$'000	\$'000	\$'000
Property	31,492	-	-	-	(670)	(6)	1,930	-	32,746
Plant and equipment	3,093	559	-	-	(534)	-	-	-	3,118
Infrastructure	158,708	-	-	-	(2,682)	-	4,496	-	160,522
Work in progress	2,701	5,637	-	-	-	-	(6,426)	-	1,912
	195,994	6,196	-	-	(3,886)	(6)	-	-	198,298

Summary of work in progress (WIP)

	Opening WIP \$'000	Additions \$'000	Transfers \$'000	Reclassification \$'000	Closing WIP \$'000
Property	151	1,563	(1,930)	495	279
Plant and equipment	-	-	-	-	-
Infrastructure	2,550	4,074	(4,496)	(495)	1,633
	2,701	5,637	(6,426)	-	1,912

Financial Statements

Notes to the financial statements (continued)

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 2018	7,236	4,791	12,027	31,393	43,420	151	43,571
Accumulated depreciation at 1 July 2018	-	-	-	(11,929)	(11,929)	-	(11,929)
Written down value at 1 July 2018	7,236	4,791	12,027	19,464	31,491	151	31,642
Movements in fair value							
Additions	-	-	-	-	-	1,563	1,563
Revaluation increments/ (decrements)	-	-	-	-	-	-	-
Disposals	-	-	-	(13)	(13)	-	(13)
Transfers	-	-	-	1,930	1,930	(1,930)	-
Reclassification	-	-	-	-	-	495	495
Total movements in fair value	-	-	-	1,917	1,917	128	2,045
Movements in accumulated depreciation							
Depreciation	-	-	-	(670)	(670)	-	(670)
Revaluation increments/ (decrements)	-	-	-	-	-	-	-
Accumulated depreciation of disposals	-	-	-	7	7	-	7
Transfers	-	-	-	-	-	-	-
Reclassification	-	-	-	-	-	-	-
Total movements in accumulated depreciation	-	-	-	(663)	(663)	-	(663)
At fair value 30 June 2019	7,236	4,791	12,027	33,310	45,337	279	45,616
Accumulated depreciation at 30 June 2019	-	-	-	(12,592)	(12,592)	-	(12,592)
Written down value at 30 June 2019	7,236	4,791	12,027	20,718	32,745	279	33,024

Financial Statements

Notes to the financial statements (continued)

b) Plant and equipment

Plant and equipment	Plant, machinery and equipment \$'000	Fixtures, fittings and furniture \$'000	Computers \$'000	Library books \$'000	Total plant and equipment \$'000
At fair value 1 July 2018	7,373	17	418	96	7,904
Accumulated depreciation at 1 July 2018	(4,405)	(17)	(375)	(15)	(4,815)
Written down value at 1 July 2018	2,969	-	43	81	3,093
Movements in fair value					
Additions	511	12	14	23	560
Revaluation increments/ (decrements)	-	-	-	-	-
Disposals	(306)	-	(23)	-	(329)
Transfers	-	-	-	-	-
Total movements in fair value	205	12	(9)	23	231
Movements in accumulated depreciation					
Depreciation	(490)	(1)	(31)	(12)	(534)
Revaluation increments/ (decrements)	-	-	-	-	-
Accumulated depreciation of disposals	306	-	23	-	329
Transfers	-	-	-	-	-
Total movements in accumulated depreciation	(184)	(1)	(8)	(12)	(205)
At fair value 30 June 2019	7,578	29	409	119	8,135
Accumulated depreciation at 30 June 2019	(4,589)	(18)	(383)	(27)	(5,017)
Written down value at 30 June 2019	2,989	11	26	92	3,118

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Notes to the financial statements (continued)

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 2018	171,137	23,188	2,652	9,224	7,722	485	323	249	214,980	2,550	217,530
Accumulated depreciation at 1 July 2018	(37,462)	(9,782)	(1,035)	(3,808)	(3,839)	(52)	(230)	(64)	(56,272)	-	(56,272)
Written down value at 1 July 2018	133,675	13,406	1,617	5,416	3,883	433	93	185	158,708	2,550	161,258
Movements in fair value											
Additions	-	-	-	-	-	-	-	-	-	4,074	4,074
Revaluation increments/ (decrements)	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-
Transfers	3,200	-	164	17	504	331	220	60	4,496	(4,496)	-
Reclassification	-	-	-	-	-	-	-	-	-	(495)	(495)
Total movements in fair value	3,200	-	164	17	504	331	220	60	4,496	(917)	3,579
Movements in accumulated depreciation											
Depreciation	(2,096)	(196)	(41)	(77)	(91)	(41)	(118)	(22)	(2,682)	-	(2,682)
Revaluation increments/ (decrements)	-	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation of disposals	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-	-
Reclassification	-	-	-	-	-	-	-	-	-	-	-
Total movements in accumulated depreciation	(2,096)	(196)	(41)	(77)	(91)	(41)	(118)	(22)	(2,682)	-	(2,682)
At fair value 30 June 2019	174,337	23,188	2,816	9,241	8,226	816	543	309	219,476	1,633	221,109
Accumulated depreciation at 30 June 2019	(39,558)	(9,978)	(1,076)	(3,885)	(3,930)	(93)	(348)	(86)	(58,954)	-	(58,954)
Written down value at 30 June 2019	134,779	13,210	1,740	5,356	4,296	723	195	223	160,522	1,633	162,155

Financial Statements

Notes to the financial statements (continued)

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

	2019	2018
Buildings		
buildings	50 years	50 years
Plant and Equipment		
vehicles	5 years	5 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
Machinery		
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

Financial Statements

Notes to the financial statements (continued)

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	2019 \$'000	2018 \$'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.

Finance leases

Leases of assets where substantially all the risks and rewards incidental to ownership of the asset are transferred to the Council are classified as finance leases. Finance leases are capitalised, recording an asset and a liability at the lower of the fair value of the asset and the present value of the minimum lease payments, including any guaranteed residual value. Lease payments are allocated between the reduction of the lease liability and the interest expense. Leased assets are depreciated on a straight line basis over their estimated useful lives to the Council where it is likely that the Council will obtain ownership of the asset or over the term of the lease, whichever is the shorter. Leased assets are currently being amortised over a 5 year period.

Financial Statements

Notes to the financial statements (continued)

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 2019 are as follows:

	Level 1	Level 2	Level 3	Date of valuation
Land	-	1,011	3,780	30 June 2017
Land under roads	-	-	7,236	1 Jan 2018
Buildings	-	2,065	17,089	30 June 2017
Total	-	3,076	28,105	

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.

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Notes to the financial statements (continued)

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

	Level 1	Level 2	Level 3	Date of valuation
Roads	-	-	134,784	1 Aug 2017
Bridges	-	-	13,208	1 Aug 2017
Footpaths and cycleways	-	-	1,739	1 Aug 2017
Drainage	-	-	5,356	30 Jun 2016
Parks, open space and streetscapes	-	-	722	30 Jun 2016
Kerb and channel	-	-	4,296	1 Aug 2017
Landfill	-	-	196	30 Jun 2019
Other infrastructure	-	-	225	30 Jun 2016
Total	-	-	160,526	

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.

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Notes to the financial statements (continued)

Reconciliation of specialised land

	2019	2018
	\$'000	\$'000
Land under roads	7,236	7,236
Total	7,236	7,236

6.2 Investments in joint arrangements

	2019	2018
	\$'000	\$'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:		
Reported surplus/(deficit) for year	-	10
Transfers (to) from reserves	-	-
Distributions for the year	-	-
Council's share of accumulated surplus(deficit) at end of year		
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	45	35
Investment in associate (start-up capital)	-	-
Share of surplus/(deficit) for year	-	10
Share of asset revaluation	-	-
Distributions received	-	-
Carrying value of investment at end of year	45	45

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

	2019 \$'000	2018 \$'000
Balance at beginning of financial year	1,040	421
Reclassifications	-	603
Additions	-	-
Disposals	-	-
Fair value adjustments	35	16
Balance at end of financial year	1,075	1,040

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Notes to the financial statements (continued)

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 Marcus Hann, 62901, 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 valuation for 2018 is at fair value, based on the market value for the property at 23 April 2018. The valuation for 2019 is at fair value, based on the market value for the property at 30 June 2019.

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
 - Councillor (1 Jul 2018 to 13 Nov 2018)
 - Mayor (13 Nov 2018 to 30 Jun 2019)
- Cr Aaron Scales
 - Mayor (1 Jul 2018 to 13 Nov 2018)
 - Councillor (13 Nov 2018 to 30 Jun 2019)
- Cr Jennie Star (1 Jul 2018 to 30 Jun 2019)
- Cr Peter Tolsher (1 Jul 2018 to 30 Jun 2019)
- Cr Andrew Whitehead (1 Jul 2018 to 30 Jun 2019)

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Notes to the financial statements (continued)

- **Key Management Personnel**

- Juliana Phelps – Chief Executive Officer
- Jamie Heritage – Director Technical Services
- Jo Shannon – Director Community and Corporate Services (1 Jul 2018 to 12 Apr 2019)

	2019	2018
Total number of Councillors	5	5
Chief Executive Officer and other Key Management Personnel	3	3
Total Key Management Personnel	8	8

c) Remuneration of Key Management Personnel

Total remuneration of Key Management Personnel was as follows:

	2019 \$'000	2018 \$'000
Short-term benefits	712	728
Post-employment benefits	47	49
Long-term benefits	10	13
Termination benefits	-	-
Total	769	790

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

	2019	2018
\$0 - \$19,999	-	-
\$20,000 - \$29,999	3	3
\$30,000 - \$39,999	-	1
\$40,000 - \$49,999	1	-
\$50,000 - \$59,999	1	1
\$150,000 - \$159,999	1	-
\$160,000 - \$169,999	1	-
\$170,000 - \$179,999	-	1
\$180,000 - \$189,999	-	1
\$210,000 - \$219,999	-	1
\$220,000 - \$229,999	1	-
Total	8	8

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 \$148,000 (2017/18: \$145,000).

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

	2019	2018
<\$148,000	3	4
	3	4
	\$'000	\$'000
Total Remuneration for the reporting year for Senior Officers included above amounted to:	204	148

There were two positions reporting direct to the CEO in both 2018 and 2019. The incumbents resigned to pursue other opportunities and new Council officers were recruited into these vacancies. This resulted in four Senior Officers being recognised in 2018 and three Senior Officers being recognised in 2019 with reduced remuneration levels as a result of the positions being vacant whilst recruitment occurred.

7.2 Related party disclosure

a. Transactions with related parties

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

	2019	2018
	\$'000	\$'000
Income		
Fees and charges to entities controlled by KMP (1)	171	164
Total income	171	164
Expenses		
Purchases of materials or services from joint arrangements (2)	73	67
Purchases of materials or services from entities controlled by KMP (3)	115	99
Employee costs for close family members of KMP (4)	102	81
Total expenses	290	247
Total transactions	461	411

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

- Fees totalling \$170,594 were charged and paid by Rural Councils Victoria Incorporated (RCV). These fees were for the provision of secretariat services provided to RCV by Towong Shire Council. RCV is an incorporated association and Council's Chief Executive Officer, Ms Juliana Phelps is the Secretary. Council successfully tendered to provide the secretariat function to RCV.

Financial Statements

Notes to the financial statements (continued)

(2) Purchases of materials or services from joint arrangements

- Labour hire fees of \$72,709 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 \$40,178 and additional tourism programs and works of \$38,495 were paid to Tourism North East. 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 \$20,895 were paid to the Dartmouth Community Progress Association for town maintenance services, where Councillor Aaron Scales is the Council representative of the association. The contract was awarded to the Dartmouth Community Progress Association in accordance with Council's Procurement Policy.

- Contributions to waste and recovery projects of \$6,913 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 \$3,300 was paid to Rural Councils Victoria Incorporated. Council's Chief Executive Officer Ms Juliana Phelps is the Secretary. This membership fee is payable by all rural Councils who wish to be members of this organisation.

- Payments amounting to \$2,881 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.

- A payment of \$2,200 was paid to the Upper Murray Business Directory for editorial work on the Great River Road project. Councillor Jennie Star is the owner of the Upper Murray Business Directory business.

(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 100 staff members of which 2 are close family members of key management personnel.

Financial Statements

Notes to the financial statements (continued)

- 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 Economic Development Officer Ms Kerissa Heritage, is a close family member of the Director Technical Services, Mr Jamie Heritage.

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 entered into commercial property leases on its investment property, consisting of a surplus freehold office. This property held under an operating lease has a non-cancellable lease term of 1 year. The lease includes a CPI based revision of the rental charge annually.

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

	2019 \$'000	2018 \$'000
Not later than one year	18	35
Later than one year and not later than five years	-	20
Later than five years	-	-
	18	55

Financial Statements

Notes to the financial statements (continued)

b) Contingent liabilities

Superannuation

Council has obligations under a defined benefit superannuation scheme that may result in the need to make additional contributions to the scheme. Matters relating to this potential obligation are outlined 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 2019 is \$52,000.

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

The amount disclosed for financial guarantee in this note is the nominal amount of the underlying loan that is guaranteed by the Council, not the fair value of the financial guarantee.

Financial guarantee contracts are not recognised as a liability in the balance sheet unless the lender has exercised their right to call on the guarantee or Council has other reasons to believe that it is probable that the right will be exercised.

8.2 Changes in accounting standards

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

Revenue from contracts with customers (AASB 15) (applies 2019/20 for the Local Government sector)

Financial Statements

Notes to the financial statements (continued)

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

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

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

Leases (AASB 16) (applies 2019/20)

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

Council has elected to adopt the modified retrospective approach to the transition to the new lease standard. This will mean that only existing operating leases for non-low value assets, with remaining terms greater than 12 months, will be recognised on transition (1 July 2019).

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

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

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.

Financial Statements

Notes to the financial statements (continued)

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.

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.

c) Credit risk

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause Council to make a financial loss. Council has exposure to credit risk on 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).

Financial Statements

Notes to the financial statements (continued)

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

d) Liquidity risk

Liquidity risk includes the risk that, as a result of Council's operational liquidity requirements, 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.

(e) Sensitivity disclosure analysis

Taking into account past performance, future expectations, economic forecasts and management's knowledge and experience of the financial markets, Council believes the following movements are 'reasonably possible' over the next 12 months:

- A parallel shift of + 1% and -1% 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.

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.

8.4 Fair value measurement

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.

Financial Statements

Notes to the financial statements (continued)

AASB 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value under AASB 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique.

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

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

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

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

For the purpose of fair value disclosures, Council has determined classes of assets 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.

Financial Statements

Notes to the financial statements (continued)

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

No matters have occurred after balance date that requires disclosure in the financial report.
Note 9. Other matters

Financial Statements

Notes to the financial statements (continued)

9.1 Reserves

Asset revaluation reserve

	Balance at beginning of reporting period	Increment (decrement)	Balance at end of reporting period
	\$'000	\$'000	\$'000
2019			
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
2018			
Property			
Land	9,998	-	9,998
Buildings	5,226	-	5,226
	15,224	-	15,224
Infrastructure			
Roads	80,523	304	80,827
Bridges	10,789	(704)	10,085
Footpaths	513	431	944
Drainage	5,003	-	5,003
Kerb and channel	3,758	92	3,850
	100,586	123	100,709
Total asset revaluation reserve	115,810	122	115,933

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

Financial Statements

Notes to the financial statements (continued)

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

	2019 \$'000	2018 \$'000
Surplus/ (deficit)	8,187	5,324
Depreciation/amortisation	4,011	3,580
(Profit) / loss on disposal of property, infrastructure, plant and equipment	(57)	(155)
Financing activities included in operating result	29	17
Fair value adjustments for investment property	(35)	(16)
<i>Change in assets and liabilities:</i>		
(Increase)/decrease in trade and other receivables	(1,100)	(268)
(Increase)/decrease in prepayments	93	(127)
(Increase)/decrease in inventories	73	172
(Increase)/decrease in investment in associates	-	(10)
Increase/(decrease) in trade and other payables (operating)	156	(286)
Increase/(decrease) in provisions	177	88
Increase/ (decrease) in trust funds and deposits	35	(26)
Net cash provided by/(used in) operating activities	11,569	8,293

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 2019 this was 9.5% required under Superannuation Guarantee legislation).

Financial Statements

Notes to the financial statements (continued)

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

As at 30 June 2017, a full triennial actuarial investigation was completed. The Vested Benefit Index (VBI) of the defined benefit category of which Council is a contributing employer was 103.1%. To determine the VBI, the fund Actuary used the following long-term assumptions:

Net investment returns	6.5% pa
Salary information	3.5% pa
Price inflation (CPI)	2.5% pa.

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

The VBI is to be used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2017 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.

Defined benefit 2017 triennial actuarial investigation surplus amounts

The Fund's triennial actuarial investigation as at 30 June 2017 identified the following in the defined benefit category of which Council is a contributing employer:

- A VBI surplus of \$69.8 million;
- A total service liability surplus of \$193.5 million; and
- A discounted accrued benefits surplus of \$228.8 million.

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 2017. Council was notified of the 30 June 2017 VBI during August 2017.

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.

The discounted accrued benefit surplus means 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 the investigation date.

An interim actuarial investigation will be conducted for the Fund's position as at 30 June 2019. It is anticipated that this actuarial investigation will be completed in December 2019.

Financial Statements

Notes to the financial statements (continued)

9.4 Adjustments directly to equity

Adjustment arising from the recognition of land under roads. Council fully recognised land under roads at fair value in the 2017/18 financial year. The initial full recognition of land under roads recognised as an adjustment to Council's accumulated surplus for 2017/18.

Land under roads is valued at fair value using site values adjusted for englobo land characteristics, access rights and private interests of other parties and entitlements of infrastructure assets and services.

The effect of Council fully recognising land under roads for the first time is to increase the opening balance of accumulated surplus by \$5.691 million and increase property, infrastructure, plant and equipment by the same amount.

Financial statement

Certification of the financial statement

In my opinion, the accompanying financial statements have been prepared in accordance with the Local Government Act 1989 and 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

Tuesday 24 September 2019

Tallangatta

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

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

Tuesday 24 September 2019

Tallangatta



Cr Andrew Whitehead

Councillor

Tuesday 24 September 2019

Tallangatta



Ms Juliana Phelps, Chartered Accountant

Chief Executive Officer

Tuesday 24 September 2019

Tallangatta

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 2019 • comprehensive income statement for the year then ended • statement of changes in equity for the year then ended • statement of cash flows for the year then ended • statement of capital works for the year then ended • notes to the financial statements, including significant accounting policies • certification of the financial statements. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2019 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 6 of the <i>Local Government Act 1989</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Councillors' responsibilities for the financial report	<p>The Councillors of the council are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Local Government Act 1989</i>, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Councillors are responsible for assessing the council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

Auditor's responsibilities for the audit of the financial report

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

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

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

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

MELBOURNE
25 September 2019



Jonathan Kyvelidis
as delegate for the Auditor-General of Victoria

Performance Reporting Framework Indicators 2018/19

1. Governance

Service / Indicator / Measure	Results				Comment
	2016	2017	2018	2019	
Transparency Council decisions made at meetings closed to the public (Number of Council resolutions made at an ordinary or special meeting of Council, or at meetings of a special committee consisting only of Councillors, closed to the public / Number of Council resolutions made at ordinary or special meetings of Council or at meetings of a special committee consisting only of Councillors) x 100	3.00%	4.00%	2.78%	1.19%	Council is committed to public decision-making at open Council meetings in the interest of open and transparent governance. Meetings are only closed to the public in accordance with s89 of the Local Government Act 1989 when a matter to be decided relates to a personnel, contractual, industrial or other prescribed matter. There were a total of three decisions made at meetings closed to the public in 2018/19 compared to seven in 2017/18 and nine in 2016/17 and 2015/16.
Consultation and engagement Satisfaction with community consultation and engagement Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement	52	0	59	58	Council did not participate in or conduct a Community Satisfaction survey in 2016/17 following a 'value for money' evaluation conducted as part of the 2016/17 budget development.
Attendance Councillor attendance at Council meetings (The sum of the number of Councillors who attended each ordinary and special Council meeting / (Number of ordinary and special Council meetings) x (Number of Councillors elected at the last Council general election)) x 100	93%	93%	88%	90.59%	The result recognises Councillor attendance at Council meetings. Formal granting of leave of absence is obtained where a Councillor is unable to attend.
Service cost Cost of governance Direct cost of the governance service / Number of Councillors elected at the last Council general election	\$36,689	\$37,282	\$35,440	\$37,601.04	Council compares well to other Councils on this indicator.

Performance Reporting Framework Indicators 2018/19

1. Governance *continued*

Service / Indicator / Measure	Results				Comment
	2016	2017	2018	2019	
<p>Satisfaction Satisfaction with Council decision Community satisfaction rating out of 100 with the performance of Council in making decisions in the interest of the community</p>	51	0	59	58	<p>Council participated in the 2017/18 Community Satisfaction Survey.</p> <p>Council did not to participate in or conduct a Community Satisfaction survey in 2016/17 following a 'value for money' evaluation conducted as part of the 2016/17 budget development.</p>

Performance Reporting Framework Indicators 2018/19

2. Statutory Planning

Service / Indicator / Measure	Results				Comment
	2016	2017	2018	2019	
Timeliness Time taken to decide planning applications <i>The median number of days between receipt of a planning application and a decision on the application</i>	18	36	63	64	Council has a small Planning team consisting of two staff members. Our performance in this area has been impacted by vacancies that have been difficult to fill. A total of 83 Planning Permit applications were decided in 2018/19 compared to 65 in 2017/18, 76 in 2016/17 and 98 in 2015/16.
Service standard Planning applications decided within the relevant required time <i>(Number of planning application decisions made within 60 days / Number of planning application decisions made) x 100</i>	98%	83%	50%	56.63%	Council has a small Planning team consisting of two staff members. Our performance in this area has been impacted by vacancies that have been difficult to fill. A total of 83 Planning Permit applications were decided in 2018/19 compared to 65 in 2017/18, 76 in 2016/17 and 98 in 2015/16.
Service cost Cost of statutory planning service <i>Direct cost of the statutory planning service / Number of planning applications received</i>	\$3,003	\$1,694	\$2,903	\$2402.91	This cost is inclusive of both the strategic and statutory planning services as Council has a small team that delivers both functions. There were 87 received in 2018/19 compared to 57 in 2017/18, 80 in 2016/17 and 101 in 2015/16. The lower cost in 2016/17 compared to other years is due to the Planning team not having two full-time staff members for the whole year with contractors used to backfill on a part-time basis. In 2015/16, \$104,108 of legal fees were incurred by Council defending a planning decision at VCAT. Without this expense the cost of the total planning service per planning application would have been \$1,972.47.

Performance Reporting Framework Indicators 2018/19

1. Statutory Planning *continued*

<p>Decision making Council planning decisions upheld at VCAT <i>(Number of VCAT decisions that did not set aside Council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications) x 100</i></p>	100%	100%	100%	0	<p>There were no VCAT decisions in 2018/19. There was one planning decision referred to VCAT in 2017/18, 2016/17 and 2015/16.</p>
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Performance Reporting Framework Indicators 2018/19

2. Roads

Service / Indicator / Measure	Results				Comment
	2016	2017	2018	2019	
Satisfaction of use Sealed local road requests (Number of sealed local road requests / Kilometres of sealed local roads) x 100	10.48	12.70	8.99	10.32	Towong Shire has a large local road network (1,183 kilometres of local roads) relative to its small population base spread over 6,635 square kilometres. This includes 378 kilometres of sealed local roads. There were 39 sealed local road requests in 2018/19 compared to 34 in 2017/18, 48 in 2016/17 and 39 in 2015/16.
Condition Sealed local roads below the intervention level (Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads) x 100	100%	99%	99%	100%	
Service cost (Reconstruction) Cost of sealed local road reconstruction Direct cost of sealed local road reconstruction / Square metres of sealed local roads	0.00	\$61.45	\$37.37	0	<p>There were no road reconstruction works conducted in 2018/19 and 2015/16.</p> <p>The decrease in cost per square metre in 2017/18 compared to the 2016/17 result is due to the nature of the reconstruction required for Council's small road reconstruction program for 2017/18.</p> <p>Extensive reconstruction works cost significantly more than basic works. More extensive works may involve preparation of the road base to a greater depth or sealing with alternative resources to achieve improved outcomes (e.g. longevity or safety)</p>

Performance Reporting Framework Indicators 2018/19

3. Roads *continued*

Service / Indicator / Measure	Results				Comment
	2016	2017	2018	2019	
Service cost (Resealing) Cost of sealed local road resealing Direct cost of sealed local road resealing / Square metres of sealed local roads resealed	\$4.48	\$4.22	\$5.95	\$5.15	The increase in costs from 2016/17 is due to a more expensive seal being used. A rubberised seal is being used to extend the life of the seal and reduce regular maintenance.
Satisfaction Satisfaction with sealed local roads Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads	54	0	58	58	Council's performance is consistent with the previous year and remains above the state average. Council did not to participate in or conduct a Community Satisfaction survey in 2016/17 following a 'value for money' evaluation conducted as part of the 2016/17 budget development.

Performance Reporting Framework Indicators 2018/19

4. Libraries

Service / Indicator / Measure	Results				Comment
	2016	2017	2018	2019	
Utilisation Library collection usage <i>Number of library collection item loans / Number of library collection items</i>	1.82	1.55	1.43	1.51	There have been 22,310 items loaned (with the number of collection items available for loan equalling 14,738 items) in 2018/19. This compares to 20,514 (14,334) in 2017/18, 22,053 (14,251) in 2016/17 and 24,382 (13,368) in 2015/16.
Resource standard Standard of library collection (<i>Number of library collection items purchased in the last five years / Number of library collection items</i>) x 100	33%	35%	38%	38.64%	Council has committed to expanding its library resources available for loan over the last few years with a specific allocation being included in each annual budget since 2015/16. Over time this is increasing the proportion of the library collection that is less than five years old.
Service cost Cost of library service <i>Direct cost of library service / Number of visits</i>	\$7.12	\$5.94	\$6.37	\$5.44	The total cost of running Council's libraries for 2018/19 was \$134,824 with 24,781 visits recorded. This compares to \$149,690 and 23,486 visits in 2017/18, \$152,161 and 25,596 visits in 2016/17 and \$134,068 and 18,835 visits in 2015/16..

Performance Reporting Framework Indicators 2018/19

Libraries *continued*

<p>Participation Active library members (Number of active library members / Municipal population) x 100</p>	9%	13%	12%	10.56%	<p>Council provides two static libraries in its main centres of Corryong and Tallangatta. These libraries service our small dispersed population of 5,974 (ABS Catalogue 3218.0) 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.</p> <p>There were 639 active library members in 2018/19 compared to 727 in 2017/18, 760 in 2016/17 and 533 in 2015/16. A new library in Tallangatta was officially opened in August 2016 with opening hours increasing from 15.5 to 40 hours per week. This resulted in an increase on the number of active library members from 2015/16.</p>
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Performance Reporting Framework Indicators 2018/19

5. Waste collection

Service / Indicator / Measure	Results				Comment
	2016	2017	2018	2019	
Satisfaction Kerbside bin collection requests <i>(Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households) x 1000</i>	90.05	105.26	123.84	111.48	There was a total of 332 kerbside bin collection requests in 2018/19 compared to 360 in 2017/18, 298 in 2016/17 and 249 in 2015/16. There were 180 requests regarding broken bins in 2018/19 compared to 178 in 2017/18.
Service standard Kerbside collection bins missed <i>(Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts) x 10,000</i>	1.97	2.22	2.66	1.72	There was a total of 42 bins missed in 2017/18 compared to 63 in 2017/18, 51 in 2016/17 and 44 in 2015/16. Council's kerbside collection service lifts approximately 245,000 individual bins each year.
Service cost (Garbage) Cost of kerbside garbage collection service <i>Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins</i>	\$135.69	\$140.04	\$136.77	\$199.15	
Service cost (Recycling) Cost of kerbside recycling collection service <i>Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins</i>	\$71.51	\$85.26	\$78.72	\$102.74	
Waste diversion 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) x 100</i>	32%	33%	33%	14.69%	The assumptions of average weight of recyclables compared to garbage and organics used for this indicator were updated following the results of a kerbside bin audit recently conducted.

Performance Reporting Framework Indicators 2018/19

6. Aquatic facilities

Service / Indicator / Measure	Results				Comment
	2016	2017	2018	2019	
Service standard (inspections) Health inspections of aquatic facilities <i>Number of authorised officer inspections of Council aquatic facilities / Number of Council aquatic facilities</i>	1.00	1.00	1.00	1.0	Council operates outdoor seasonal swimming pools in Corryong and in Tallangatta. The swimming pool season is from November to March. All Council aquatic facilities were inspected once each year.
Service standard (incidents) Reportable safety incidents at aquatic facilities <i>Number of WorkSafe reportable aquatic safety incidents</i>	0	0	0	0	There have been no reportable safety incidents across the reporting periods of 2014/15 to 2018/19.
Service cost (indoor) Cost of outdoor aquatic facilities	0	0	0	0	Council has no indoor aquatic facilities.
Service cost (outdoor) Cost of outdoor aquatic facilities <i>Direct cost of outdoor aquatic facilities less income received / Number of visits to outdoor aquatic facilities</i>	\$9.58	\$8.65	\$14.22	\$10.32	Council operates two outdoor seasonal swimming pools. There were 11,607 visits recorded in 2018/19 compared to 11,708 in 2017/18, 16,322 in 2016/17 and 13,071 in 2015/16. There were increased costs with operating the pools in 2017/18 compared to other years with maintenance works being carried out to investigate a leak at the Tallangatta Pool and additional water and electricity costs associated with the Corryong Pool upgrade.
Utilisation Utilisation of aquatic facilities <i>Number of visits to aquatic facilities / Municipal population</i>	2.27	2.81	1.96	1.92	There were 11,607 visits recorded in 2018/19 compared to 11,708 in 2017/18, 16,322 in 2016/17 and 13,071 in 2015/16.

Performance Reporting Framework Indicators 2018/19

7. Animal management

Service / Indicator / Measure	Results				Comment
	2016	2017	2018	2019	
Timeliness Time taken to action animal management requests <i>Number of days between receipt and first response action for all animal management requests / Number of animal management requests</i>	3.64	2.38	5.53	3.37	Towong Shire Council has a part time Ranger (20 hours per week). There were 49 animal requests in 2018/19 compared to 53 in 2017/18, 52 in 2016/17 and 47 in 2015/16. The nature of a request and when it is received will determine how quickly it is actioned. If a request requires immediate attention Council has an on-call contractor to respond if the part time Ranger is not available. Other requests will be actioned on the next scheduled day of work for the part time Ranger.
Service standard Animals reclaimed <i>(Number of animals reclaimed / Number of animals collected) x 100</i>	50%	44%	50%	22.22%	There were a total of nine animals collected (two reclaimed) in 2018/19. This compares to eight animals collected (four reclaimed) in 2017/18, nine animals collected (four reclaimed) in 2016/17 and six (three reclaimed) in 2015/16.
Service cost Cost of animal management service <i>Direct cost of animal management service / Number of registered animals</i>	\$57.51	\$55.87	\$58.95	\$59.52	Council has a part time Ranger (20 hours per week) and a contractor on call for any animal requests that require an immediate response. The cost to Council over the last four years for animal management has remained consistent. The main variable has been the number of animals registered.
Health and safety Animal management prosecutions <i>Number of successful animal management prosecutions</i>	0.00	0.00	0.00	0.00	There have been no animal prosecutions within the reporting periods of 2015/16 to 2018/19.

Performance Reporting Framework Indicators 2018/19

8. Food safety

Service / Indicator / Measure	Results				Comment
	2016	2017	2018	2019	
Timeliness Time taken to action food complaints <i>Number of days between receipt and first response action for all food complaints / Number of food complaints</i>	0.00	0.00	1.00	1.0	There were two food complaints received in 2018/19. This compares to one food complaint received in 2017/18 and no food complaints received in 2016/17 and 2015/16.
Service standard Food safety assessments <i>(Number of registered class 1 food premises and class 2 food premises that receive an annual food safety assessment in accordance with the Food Act 1984 / Number of registered class 1 food premises and class 2 food premises that require an annual food safety assessment in accordance with the Food Act 1984) x 100</i>	100%	100%	100%	100%	Food safety assessments have been undertaken for all registered premises across the reporting periods.
Service cost Cost of food safety service <i>Direct cost of the food safety service / Number of food premises registered or notified in accordance with the Food Act 1984</i>	\$940	\$1006	\$980	\$1014.73	Towong Shire had 88 registered premises in 2018/19. This compared to 88 in 2017/18, 84 in 2016/17 and 79 in 2015/16. These premises are widely dispersed throughout the Shire (over 6,635 square kilometres). As a result, significant travel costs and time are incurred to service all premises.

Performance Reporting Framework Indicators 2018/19

Food safety *continued*

<p>Health and safety Critical and major non-compliance outcome notifications <i>(Number of critical non-compliance outcome notifications and major non-compliance outcome notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about food premises) x 100</i></p>	100%	100%	100%	100%	<p>There were seven critical or major non-compliance outcome notifications issued in 2018/19. This compares to thirteen in 2017/18, ten in 2016/17 and six in 2015/16</p>
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3. Maternal and child health (MCH)

Service / Indicator / Measure	Results				Comment
	2016	2017	2018	2019	
Satisfaction Participation in first MCH home visit (Number of first MCH visits / Number of birth notifications received) x 100	93%	95%	117%	102.27%	There were 44 birth notifications received and 45 first MCH home visits conducted in 2018/19. This compares to 41 (45 visits) in 2017/18, 63 (66 visits) in 2016/17 and 51 (55 visits) in 2015/16.
Service standard Infant enrolments in the MCH service (Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received) x 100	93%	100%	100%	100%	
Service cost Cost of the MCH service (Cost of the MCH service / Hours worked by MCH nurses)	\$64.60	\$66.12	\$65.79	\$57.43	
Participation (general) Participation in the MCH service (Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service) x 100	80%	82%	72%	81.31%	There were 181 children who attended the MCH service at least once in 2018/19 compared to 158 in 2017/18, 204 in 2016/17 and 197 in 2015/16.
Participation (Aboriginal children) 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) x 100	67%	100%	57%	66.67%	<p>Towong Shire has a small Aboriginal and Torres Strait Islander community (<1%). There are three children registered with the MCH service that identify as an Aboriginal or Torres Strait Islander in 2018/19 compared to four in 2017/18 and two in 2016/17 and 2015/16.</p> <p>Two of the three children have actively participated in the MCH service in 2018/19</p>