

MITCHELL SHIRE COUNCIL
ANNUAL
REPORT
2019/20



MITCHELL SHIRE COUNCIL



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We also provide some limited customer service through our Facebook pages: Mitchell Shire Council, Mitchell Shire Council Fire Information, Mitchell Youth Services, Mitchell Shire Leisure Services, Animals of Mitchell Shire and Discover Mitchell.

While our main offices are located in Broadford, we also have staff and/or services at nearly 40 sites across the municipality including our Wallan office, depots, kindergartens, leisure centres, customer and library service centres, maternal and child health centres, outdoor pools, sports stadiums and youth centres.

ABOUT THE ANNUAL REPORT

All Victorian Councils are required to provide an Annual Report that includes a Report of Operations and information about any major changes that have taken place, major capital works, economic or other factors that have had an impact on Council's performance and a summary of activity and achievements.

The Annual Report also shows how Mitchell has performed against the commitments set in the Council Plan and Budget, as well as prescribed service performance indicators and an audited Performance Statement and Financial Statements.

Mitchell Shire Council acknowledges the traditional custodians of the land, those of the Taungurung and Wurundjeri People.

We pay our respects to their rich cultures and to Elders past and present.

COPIES OF THE ANNUAL REPORT

In an effort to reduce the impact on the environment and to reduce costs, limited copies of this document have been printed.

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Cover image: Winner of the 2020 Youth Photo Competition, Environment category.
Ball, by Jacob from Kilmore.

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About the municipality

Strategically located just 40 kilometres north of Melbourne, Mitchell Shire is Victoria's fastest growing municipality.

As an interface growth area, we offer a mix of rural and urban living with affordable housing and a diversity of lifestyle and housing choices.

Mitchell Shire has an estimated population of 47,237. By 2041, it is expected that 170¹,830 people will call Mitchell home, and that most of this growth will occur in and around the southern townships of Beveridge, Kilmore and Wallan.

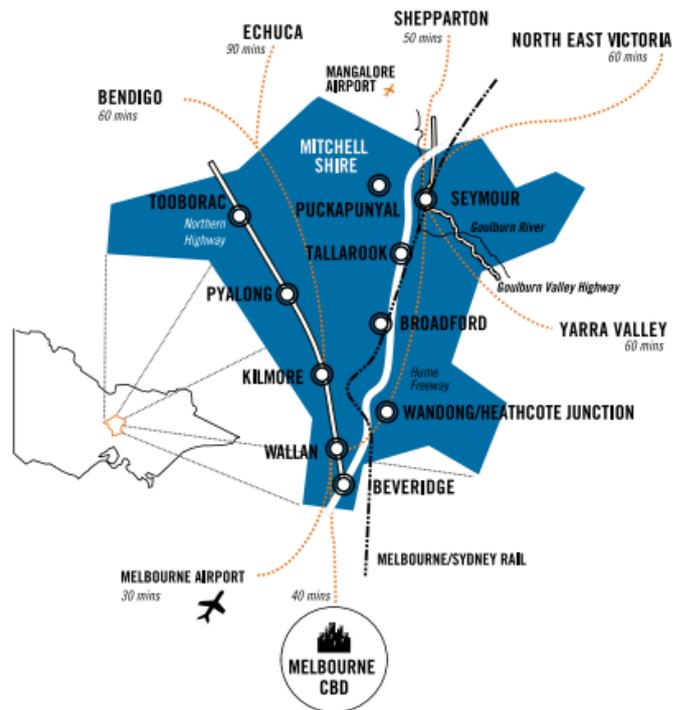
We have a high commuter workforce and our community relies heavily on regional rail and road networks to travel to and from work and for day to day community activities.

Key employers within the shire include Puckapunyal Military Area, Council, hospitals, health services, schools and childcare, retail and services, Ralphs Meats and Nestle. Our agricultural, equine and tourism industries are also important contributors to our local economy.

Our rolling foothills, open farmland, mountain ranges, rivers, creeks and natural environment are key attributes of our landscape amenity. This also means parts of our municipality are subject to natural disasters such as fires, storms and floods.

At 2,862 square kilometres², we are a large municipality with many larger and smaller townships and communities. These include Beveridge, Broadford, Bylands, Clonbinane, Forbes, Glenaroua, Glenhope, Glenhope East, Heathcote Junction, Heathcote South, High Camp, Hilldene, Hughes Creek, Kilmore, Kilmore East, Mia Mia, Moranding, Northwood, Nulla Vale, Puckapunyal, Pyalong, Reedy Creek, Seymour, Sugarloaf Creek, Sunday Creek, Tallarook, Tooborac, Trawool, Tyaak, Upper Plenty, Wallan, Wallan East, Wandong, Waterford Park, Whiteheads Creek and Willowmavin.

We also cover parts of Avenel, Donnybrook, Flowerdale, Highlands, Mangalore, Strath Creek, and Tarcombe.



¹ ID Forecast

² Australian Bureau of Statistics 3218.0 Regional Population Growth 2018/19 published 25 March 2020.

KEY CHARACTERISTICS



We cover 2,862 square kms of rural and urban land including Melbourne's Northern Growth Corridor.



We have 19 schools for 7,500 students, many of which are already full. We need to accommodate an estimated 10,000 future students in the next 20 years.



We have an estimated population of 52,225. By 2048 it is expected that 270,000 people will call Mitchell home.



There are approximately 0.77 local jobs available for everyone who is looking for work. Many people travel outside the municipality for work.



We had 590 new babies born in 2019/20.



Our local economy generates \$1.67 billion (valued added) GDP and has a total economic output of \$3.28 billion.



We have 12 main towns, nearly 40 communities, V/Line rail services, 3 limited town bus networks and no bus connections between towns.



Some people in our community experience significant socio-economic disadvantage and we have a large difference between our poorest and wealthiest residents.

Infrastructure and services

- > 694.86 km of sealed roads
- > 721.22 km of unsealed roads
- > 483 km of kerb and channel
- > 242 km of concrete footpaths
- > 61km of non-concrete (asphalt, spray or unsealed) footpath
- > 300 km of underground drainage
- > 11,428 drainage pits
- > 65 vehicle bridges
- > 40 pedestrian bridges
- > 1 active landfill and 3 resource recovery centres
- > 26 sporting pavilions/clubrooms
- > 10 sporting reserves, 2 leisure centres, 5 pools and 4 sports stadiums
- > 7 community halls
- > 81 playgrounds and 5 skate parks
- > 12 environmental reserves
- > 4 libraries
- > 8 kindergartens
- > 7 maternal and child health centres
- > 28 public toilets

Our Councillors

Residents of Mitchell Shire are represented by three Councillors in each ward.

The Mayor is elected by the Councillors and holds office for 12 months. The last general Council election was October 2016, and the next will be in October 2020.

NORTH WARD

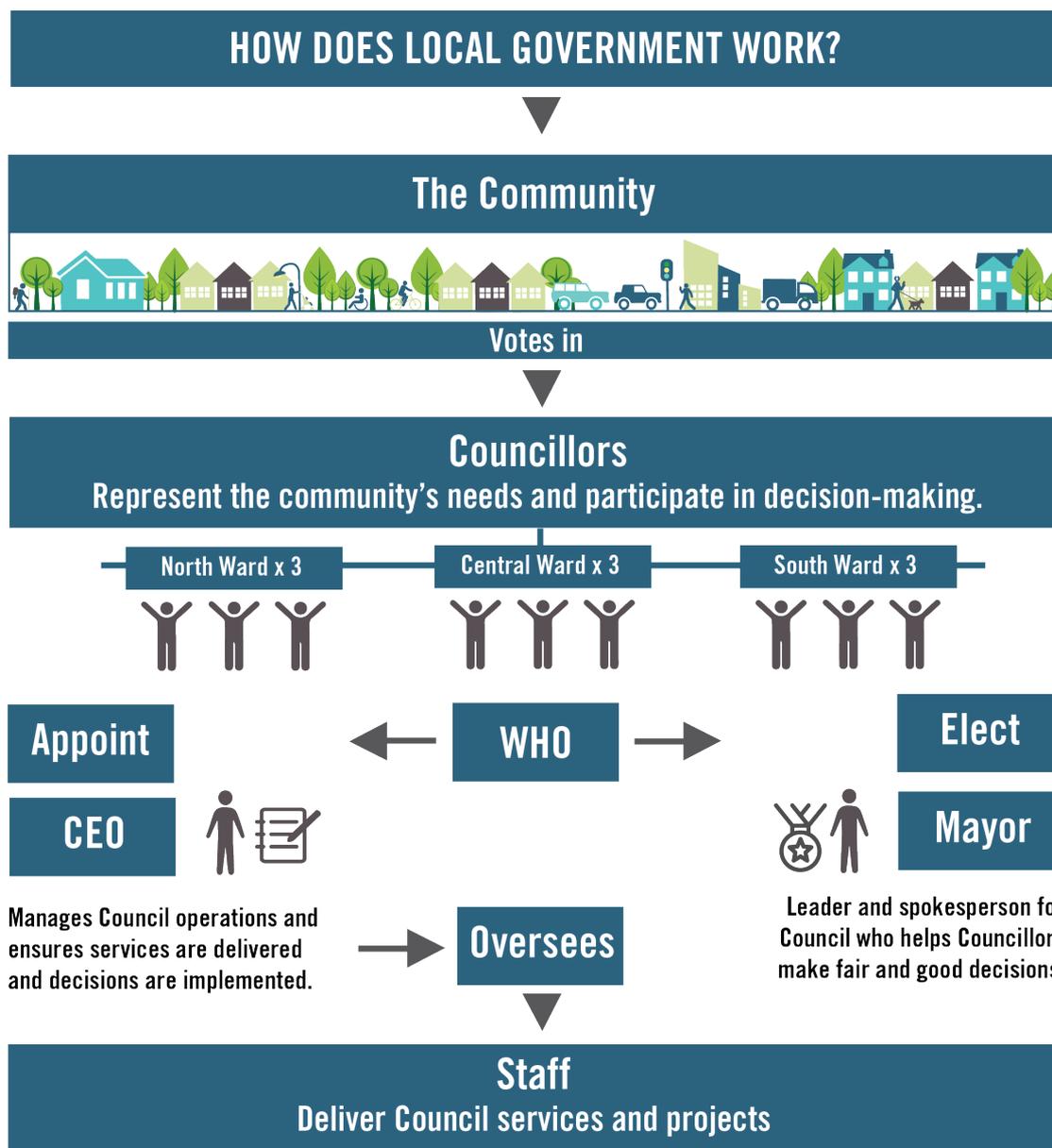
Cr Bill Chisholm
Cr Rhonda Sanderson
Cr Fiona Stevens

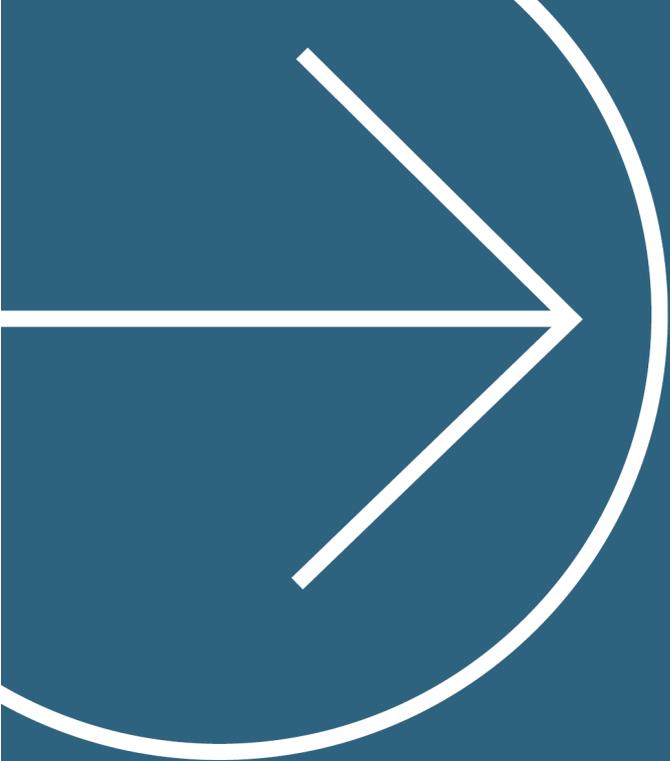
CENTRAL WARD

Cr David Atkinson (Deputy Mayor)
Cr Annie Goble
Cr Bob Humm

SOUTH WARD

Cr Bob Cornish
Cr Rob Eldridge
Cr David Lowe (Mayor)





YEAR IN REVIEW



MAYOR'S MESSAGE

Mitchell Shire Council Mayor - Councillor David Lowe

2019/20 has been a particularly challenging year.

The challenges have been widespread and manifold with effects of drought, fires, storms and floods.

We have also, sadly, said farewell to our CEO David Turnbull who passed away in March after a short battle with cancer. In many ways this annual report is a tribute to his guidance and support over the past four years.

And then, of course, we had the COVID-19 pandemic.

I would like to thank our community for their support as we have adjusted our services and looked at ways we can help our community and our businesses through these difficulties, particularly from the impact of the Coronavirus.

I would also like to extend my appreciation to the staff at Mitchell Shire for their flexibility dealing with the working from home environment, home schooling and personal uncertainties. Their hard work and for support of our community through this time has been truly amazing.

As a result of David's passing, Councillors had the difficult task of recruiting a new CEO. I am pleased to say we had an outstanding field of candidates which is a testament to David's leadership and Mitchell Shire Council's position as Victoria's fastest growing municipality.

We appointed Brett Luxford who joined Mitchell on 24 August from his current role as Director Economy Investment and Attraction at Greater Geelong Council.

I would especially like to acknowledge the contribution of Interim CEO Mary Agostino who led the organisation through this challenging year. Her leadership ensured we put the community first and supported the delivery of the vision, goals and objectives of the Council through these unprecedented times.

Despite these challenges, 2019/20 has also been a year of significant achievements, many of which are highlighted throughout this report.

Our advocacy for improved road networks, the COVID-19 response for community and business and our ongoing calls for better health services and community support are all programs and projects that have led to increased government investment in Mitchell Shire. These partnerships with both State and Federal governments are important for our growing community and helps provide much needed infrastructure and services to help maintain our liveability in both our urban and rural areas.

This work is supported by our Council Plan and related actions and strategies. The Council Plan focuses on seven key areas:

- > Advocacy
- > Community participation
- > Responsible planning
- > Strong communities
- > Local jobs, business and quality investment
- > Sound financial and organisational management
- > Caring for our environment

When this Council was first elected in 2016, we worked closely with the community to develop our four-year Council Plan and associated annual action plans, budgets and strategic resource plans in that time. With elections to be held in October this year, this is the last report from the current Council although the 2020/21 Annual Report will be the final of the original four-year plan.

While 2019/20 has been a very different year to what we envisaged when we set our annual plan and budget, we have delivered on many of the initiatives identified and continued to support our emergency response and plan for recovery needs.

In particular, the community participation in formulating and delivering our various plans has been outstanding and I would like to thank our community members for helping to shape these plans and for continuing to provide input and be involved in shaping Mitchell's future. I would also like to thank them for their support as we have re-shaped services and programs in the light of COVID-19.

Finally, I would like to take this opportunity to thank my fellow Councillors for their work and input. It has been my honour and privilege to serve as Mayor.

CHIEF EXECUTIVE OFFICER'S MESSAGE

Mary Agostino, Acting Chief Executive Officer

Our shire is built on a sense of place and community, and it is that place building that has allowed us to show our resilience in what has been one of our most challenging years.

The passing of our former CEO David Turnbull on 27 March 2020 was a devastating loss for our Council and community.

David joined Mitchell Shire Council as its CEO in May 2016 and laid the foundations for a financially viable and professional organisation that is responsible and oversees the State's fastest growing Local Government area. He said to me when he was ill, "it is a privilege to be the CEO of Mitchell".

His professional life was dedicated to helping and assisting communities. He has set our shire up for the future with sensible planning, jobs and economic growth, with a one job per household philosophy and a family-focus influenced his decision-making.

At the time of David's passing COVID-19 was taking a foothold across Australia. Its impacts have been devastating.

Our Council led a strong response to the pandemic. A commitment by the organisation to create a robust and agile business continuity plan over the last two years set a strong foundation for Council's response so far.

As a Council we truly understand the pressure and the need for services this pandemic has placed on our community. As a Council we have been committed to the safety and wellbeing of our community and staff at this time.

From early March 2020, Council's Crisis Management team was enacted to focus on responding to the pandemic, and subsequently, Council has transitioned to a establishing a Recovery Team, with a focus on the here and now as well as the long-term recovery of the community.

It has been a response that shows the dedication and commitment of our workforce in supporting the Mitchell Shire community, with many staff going beyond the call of duty to assist in this significantly uncertain time.

This dedication has also been apparent in our response to widespread storm and flood damage experienced during the year. We also provided valuable support to our colleagues in fire-affected areas which helped provide some much-needed relief to communities in the north of Victoria. This was also a valuable learning experience.

As the State's fastest growing and diverse shire in terms of geography we have presented strong cases to the State and Federal Governments for extra support in growing our community.

This includes making representation in Canberra for much needed infrastructure resulting in the recent announcement of the \$50 million for the Wallan freeway interchange ramps.

We have also had strong support from our local members of Parliament and the State Government in securing a range of grants including supporting our sporting clubs, kindergarten services, addressing family violence and youth wellbeing.

We undertook the Seymour Revitalisation project, where community was involved in developing a list of priorities that we will continue to work towards. We also worked towards starting the Kilmore Rejuvenation program, securing approximately \$3 million to tackle the beautification of Sydney Street.

Council also endorsed placed-based plans for our smaller towns to ensure they are front and centre of Council's work.

We know considerable growth will be centred around the townships of Beveridge and Wallan. These towns are located within Australia's largest unplanned and undeveloped corridor and has been identified to accommodate over 10 percent of Melbourne's future growth. These towns have a current combined population of 18,945 and are projected to grow by 476 percent to 170,000 people in just 20 years.

Throughout 2019/20 we have focussed on ensuring the timely provision of required infrastructure and services in order to maintain the liveability of our communities. Our substantial growth presents many exciting opportunities, and to do this we need strong and productive partnerships to achieve the best possible outcomes for all of our residents.

We pride ourselves on being a resilient and innovative community, but we continue to have challenges in the areas of on-going family violence and mental health support. It is something that has been highlighted and called out.

Our 16 Days of Activism against gender-based violence was a line in the sand moment for our shire. So many in our community are now prepared to call out those who commit such acts.

An historic walk to highlight Mitchell Shire's united stance against violence in all forms regardless of age, gender or ethnicity down Kilmore's main street during the first ever Community Walk to End Violence on Friday 29 November 2019, was a proud moment for our shire and community.

In starting 2020/21 we will welcome a new Chief Executive Officer Brett Luxford. Brett's appointment will start another chapter in our desire to create a healthy, connected and sustainable community.

Brett is coming to a Council that has built a strong foundation for ongoing success. That is the result of those who work for Mitchell Shire Council, our vision, goals and objectives are at the forefront of our service delivery for this wonderful and growing community.

I want to thank the staff and community at Mitchell Shire for pulling together and making this year one of solidarity.

FINANCIAL OVERVIEW

Laurie Ellis, Director Governance and Corporate Performance

Our financial position at the end of June 2020 reflects Council's ongoing commitment to improving the municipality's long-term financial sustainability even through the current COVID-19 pandemic. Council continues to rely heavily on grant funding opportunities and the continued growth can be seen in the value of monetary and non-monetary contributions. Although the COVID-19 impacts have been minimal to the 2019/20 financial year, the future impacts are being closely monitored.

Council has achieved a surplus of \$17.24M, however after adjusting for non-recurrent capital income, the adjusted underlying result for 2019/20 is a deficit of \$5.21M. This result is skewed by a net loss on disposal of infrastructure, property, plant and equipment of \$3.73M. Adjusting for this, the adjusted underlying result would be a deficit of \$1.48M. This result is unfavourable when compared to the adopted budget mainly as a result of budgeted capital grant income being deferred to the 2020/21 financial year in line with the expected completion of project deliveries.

The budget to actual material variances includes the following:

- > Decreased income of \$1.2M in user fees and charges following service changes and reductions due to COVID-19 in addition to user fee adjustments related to accounting for the waste landfill.
- > Decreased income of \$9.23M from capital grants due to project delivery timing.
- > Increased monetary and non-monetary contributions of \$8.99M following strong subdivision development.
- > Increased Materials and Services of \$5.22M from incurred COVID-19 response costs, legal fees, additional grant related expenditure (including natural disaster recovery) and adjustments made for the landfill rehabilitation costs and provision adjustments.
- > Net loss of infrastructure, plant and equipment of \$3.73M following land sales and a land asset reconciliation.

Further detail describing the performance against budget is included in Note 1 of the 2019/20 Financial Statements.

As a result of the impacts of COVID-19 Council experienced reduced revenue from fees and charges due to service reduction and/or closure. To ensure community support could be provided without negatively impacting the end of year results key expenditure was reduced.

Council remains committed to ensuring a positive adjusted underlying result into the future. The adjusted underlying result is a measure of financial sustainability and Council's ability to achieve its service delivery objectives as it is not impacted by non-recurrent capital income items which can often mask the operating result. This key goal remains a focus even through the continued effects of the COVID-19 pandemic.

Achieving an annual adjusted underlying surplus increases our ability to invest in community assets which continue to remain a critical area of focus.

At the conclusion of the 2019/20 financial year, Council had \$67.14M in cash and term deposits compared to \$54.02M at 30 June 2019. This increase in cash holdings is primarily due to increased holdings in externally restricted funds, not fully expending the capital works program and key operational projects that have been deferred to 2020/21 for completion. Council's Quarterly Finance Reports are a great reference to review performance against budget throughout the financial year.

AT A GLANCE

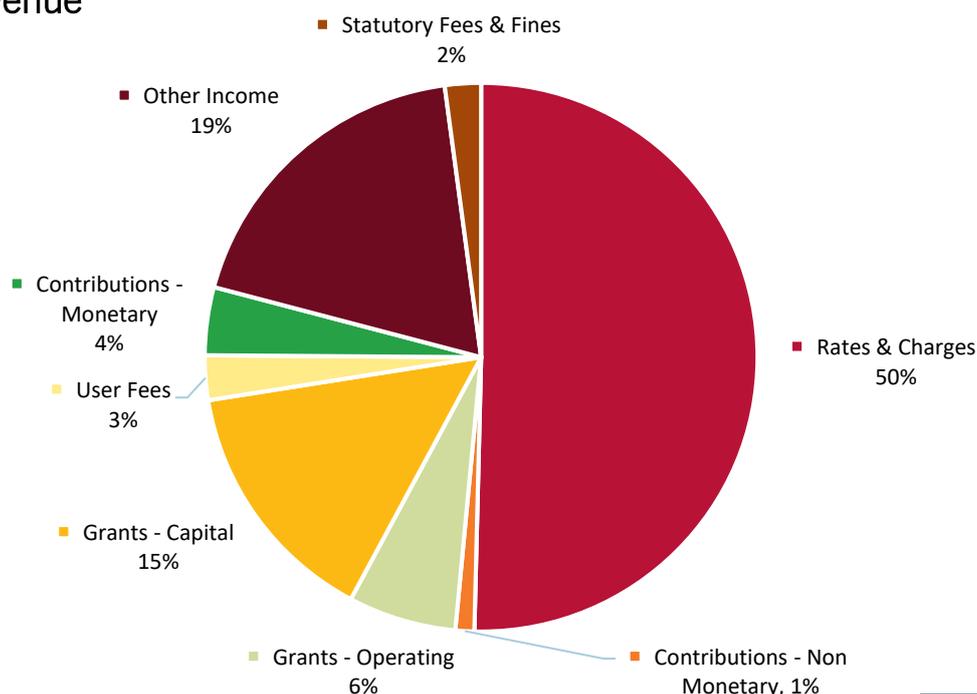
For 2019/20, Mitchell Shire Council achieved the following results:

- > \$5.21M adjusted underlying deficit, compared to a \$3.48M adjusted underlying surplus for the previous year.
- > \$17.24M surplus (compared to \$39.79M surplus the previous year). This is derived from:
 - \$93.02M revenue with 50.4% coming from rates and charges
 - \$75.78M expenditure with 37.7% attributable to employee and labour costs (36.5% due to materials and services and 16.5% depreciation)
 - \$574M net assets. This is \$58.5M increase from last year
 - \$67.14M holdings in cash: this is \$13.1M more than last year as explained above
 - \$12.4M loans and borrowings. This is \$1.82M less than last year due to no additional borrowings in 2018/19 and scheduled repayments of existing loans

Council's total revenue for 2019/20 was \$93.02M (compared with \$103.93M in 2018/19), which includes \$17.46M in non-monetary 'gifted' assets from developers. Council received a lower level of grant funding in 2019/20, largely due to projects tied to funding due for completion in 2020/21.

A breakdown of Council's operating revenue is shown in the graph below and highlights Council's reliance on rate revenue to fund community services and the renewal of community assets.

Revenue



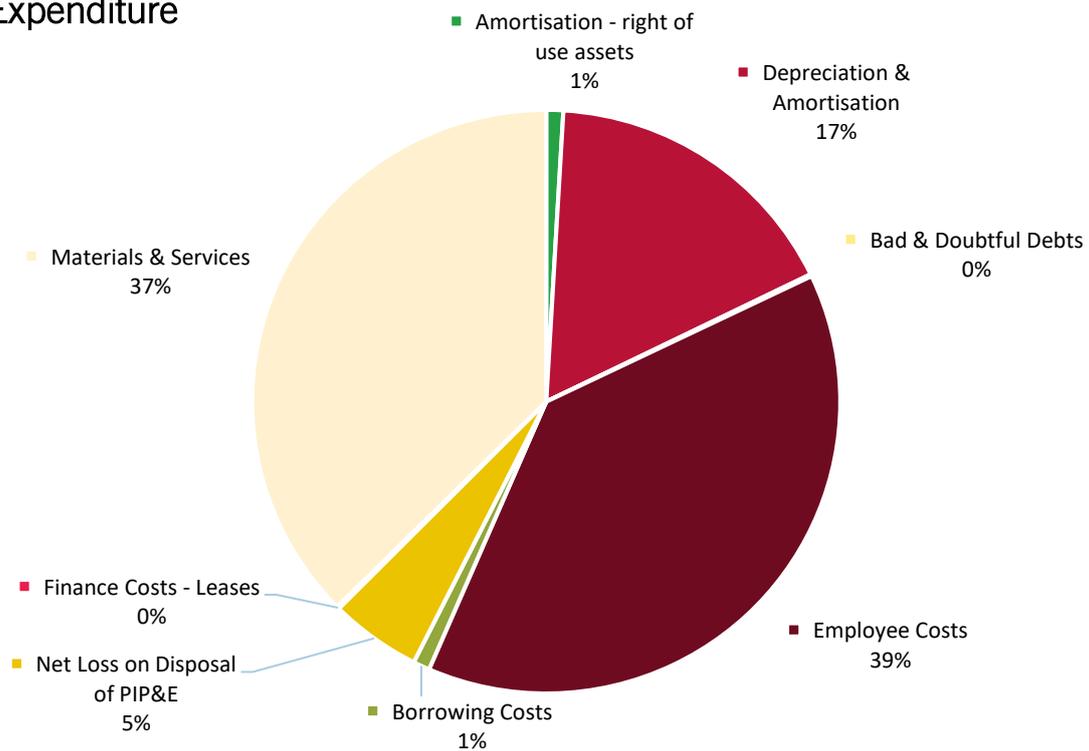
EXPENSE

Total expenditure for 2019/20 was \$75.78M (compared with \$64.14M in 2018/19).

A breakdown of Council's expenditure categories is shown in the graph below which reflects the fact that 90.7% of Council's total spending relates to three categories:

- > employee and labour costs at 37.7% (compared to 40.5% in 2018/19)
- > materials and services 36.5% (compared to 35.2% in 2018/19)
- > depreciation of assets at 16.5% (compared to 17.4% in 2018/19)

Expenditure



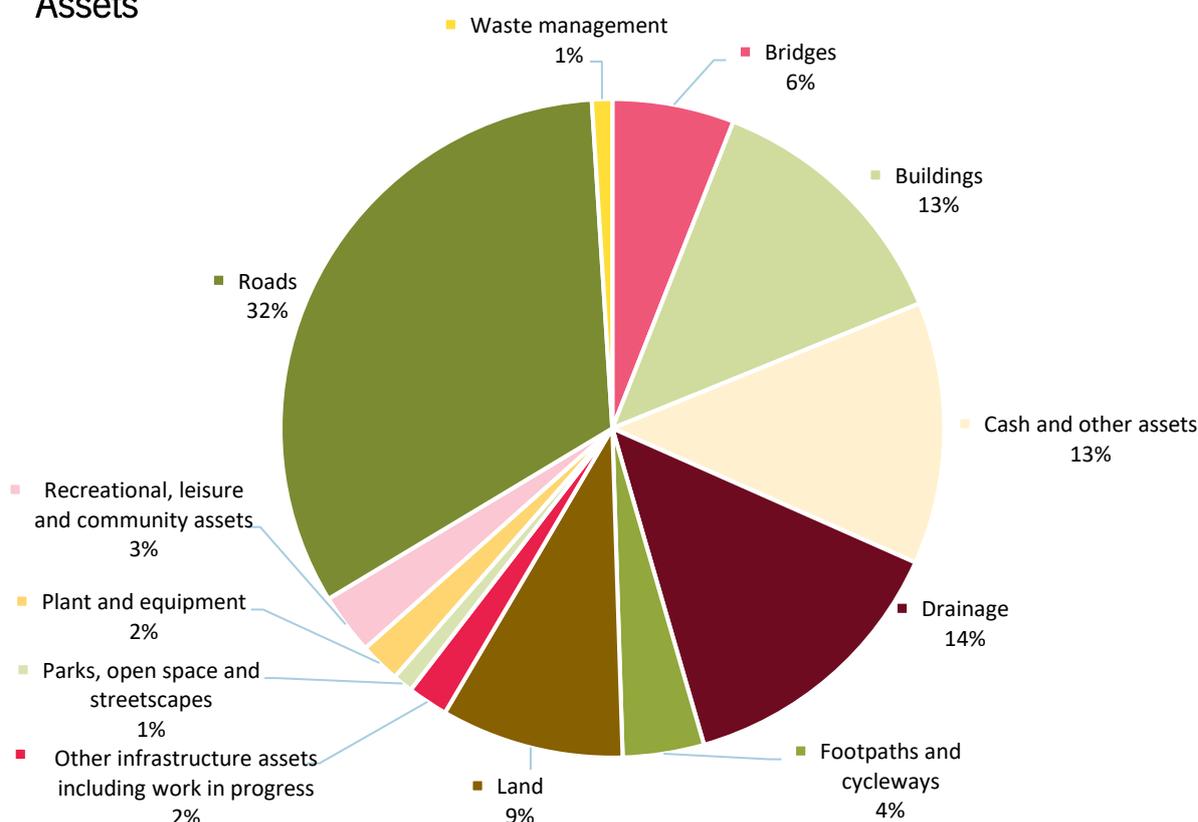
Note: where 0% appears, the actual result is less than 1%

ASSETS AND LIABILITIES

Council's financial position improved by \$58.52M during the year. This comprised an operating surplus of \$17.24M and reserve increments of \$45.29M. Council's net worth as at 30 June 2020 was \$574M (compared to \$516M in 2019) and comprised the following assets:

Asset	\$ M	%
Bridges	39.16	6
Buildings	81.95	13
Cash and other assets	79.84	13
Drainage	85.81	14
Footpaths and cycleways	23.08	4
Land	57.59	9
Roads	202.30	33
Other infrastructure assets including work in progress	11.32	2
Parks, open space and streetscapes	3.94	1
Plant and equipment	11.06	2
Recreational, leisure and community assets	19.27	3
Waste management	5.69	1
Total	621.01	100

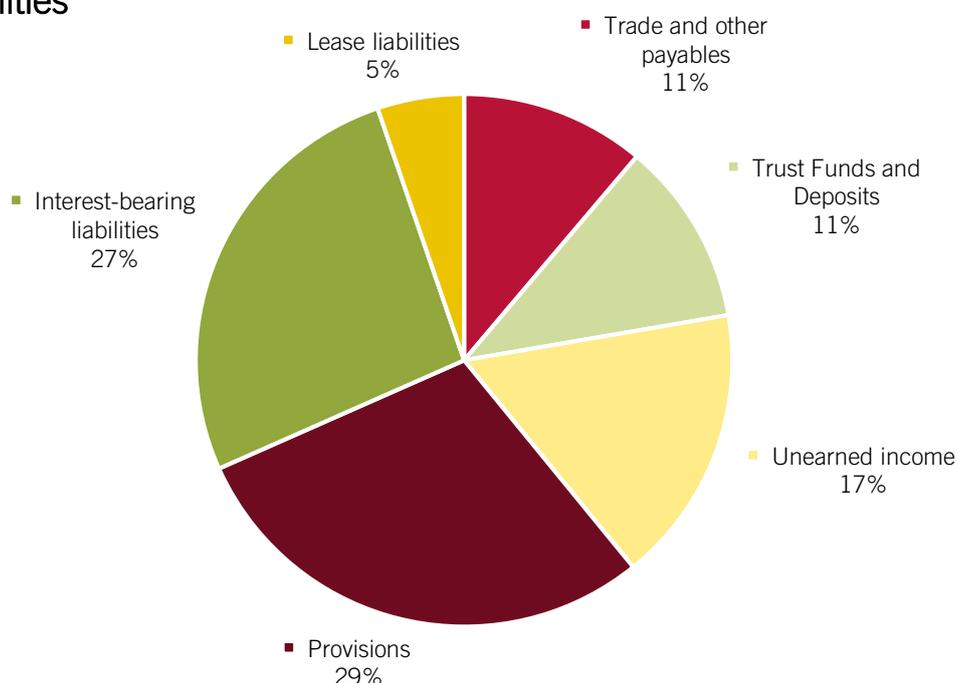
Assets



In addition to the Assets listed above, Councils Equity also includes the following liabilities:

Liabilities	\$ M	%
Trade and other payables	5.22	11
Trust Funds and Deposits	5.23	11
Unearned income	7.91	17
Provisions	13.69	29
Interest-bearing liabilities	12.40	26
Lease liabilities	2.45	5
Total	46.89	100

Liabilities



BORROWINGS

Council's borrowings at 30 June 2020 were \$12.4M, which equates to a 32% indebtedness level. The Victorian Auditor General's Office compares non-current liabilities to own-source revenue (typically rates and user fees and charges) and considers a prudential limit (indebtedness level) of between 40-60% as a medium risk. Council has budgeted to add a further \$5.51M to borrowings in 2020/21 to allow the land purchase and design of a Southern Resource Recovery Centre construction, strategic land acquisition and Patterson Street Beveridge roadway construction. The borrowings will only be drawn down when these projects commence. Borrowings will be in line with Council's borrowing policy and determined as part of the annual budget process.

CAPITAL WORKS

The capital works program is funded through rates, government grants and other contributions. Council spent \$3.7M on land and buildings and \$8.91M on infrastructure works during 2019/20, these works included \$7.9M in renewing existing assets such as roads, buildings, footpaths and kerb and channel.

The capital works program was expanded during 2019/20 following finalisation of the 2018/19 carried forward works as well as the receipt of additional grant funding. \$23.52M in capital projects have been deferred to 2020/21 following project delays and expanded budgets from additional available funding.

Key projects completed during the year included, amongst many, the reconstruction of Oak Street and Wallis Street in Seymour, the upgrade of Tennis/Netball courts at LB Davern Reserve in Wandong and at JJ Clancy Reserve in Kilmore and the construction of new shared sports oval facilities at Wallan and Broadford Secondary Colleges.

CASH

Council plans for a positive net cash inflow from operating activities to provide funds for both the day-to-day operations, as well as for its capital works program. The net cash inflow from operating activities for 2019/20 was \$30.53M (\$28.59M in 2018/19). Council's cash position at 30 June 2020 was \$67.14M (compared to \$54.02M in 2018/19), an increase of \$13.12M. Council's cash holdings at 30 June 2020 ensured sufficient working capital to cover current commitments. As we progress through the COVID-19 pandemic cash holdings will be monitored closely. Council remains focused on ensuring cash holdings remain at appropriate levels.

Council's working capital ratio for the 2019/20 financial year is 2.4 (compared with 3.8 in 2018/19). The result is lower than the previous year due to three main variances listed below:

- > A new liability (unearned income) of \$7.91M as a direct result of a change in accounting standards applying from 1 July 2019, Council is now required to treat grant income as unearned income should the project not be completed within the financial year that the money is received.
- > An increase in current provision liabilities for both employee leave entitlements and landfill rehabilitation and remediation expected costs.
- > A new liability (lease liabilities) of \$0.715M as a direct result of a change in accounting standards (*AASB16*) applying from 1 July 2019. Council must now report lease liabilities as current and non-current assets.

CONCLUSION

Council remains focused on steadily improving its financial health into the future. Over the last few years there has been a primary focus on the adjusted underlying result and, achieving sustained, adjusted underlying surpluses, rebuilding cash holdings and increasing investment in our assets for our existing and growing community.

Council's primary focus has not changed however it is important to note that the impacts of COVID-19 are yet to be fully understood and Council is monitoring the impacts closely. The process of building a solid financial foundation to support Mitchell Shire continues and remains a long-term focus in line with Council's long-term financial planning. Council will continue to work with the community to provide support through COVID-19 and adjust key goals as appropriate. Through communication and engagement, we will better understand the community's needs and expectations.

While this report focuses on the financial performance over the past 12 months, Council continues to look forward with its short, medium and long-term financial plans and models.

Council continues to meet the challenge of unforeseen circumstances such as natural disasters. This will be achieved through a combination of a continued focus and involvement in shared service models, operational efficiencies as well as reviewing existing service and asset levels. For a detailed picture of our financial performance please see the Financial Statement at the end of this document.

2019/20 IN REVIEW

JULY

- > NAIDOC parade and celebration held in Seymour
- > Investigation and clean up for asbestos dumped in Donovans Lane, south of Beveridge
- > Mayor and Director visit Canberra to discuss Australian Army Tank Museum in Puckapunyal, and mental health needs and key infrastructure required for the growth corridor including a strong focus on the completion of a diamond interchange in Wallan

Consultation activities:

- > Aquatic and Leisure Study
- > Healthy Minds Wallan Youth Mental Health Strategy

AUGUST

- > 2500 trees planted as part of National Tree Day
- > Wallan pedestrian lights turned on as part of the \$4.1 million Wallan Town Heart revitalisation linking the main street and Hadfield Park
- > Input sought on proposed mosaic mural in Broadford to commemorate Fromelles Battle
- > Oak Street, Seymour stage 1 works complete
- > Elder Abuse awareness session held

Consultation activities:

- > Family violence roundtable with community leaders, practitioners, members, and Council
- > Council supports request from Regional Roads Victoria to start the process to implement a public acquisition overlay for the Kilmore Bypass western option, with RRV to conduct further consultation on the route north of Willowmavin Road
- > Rural land and activities review
- > Business sessions held with tailored advice from a business counsellor
- > Life Stages Strategy
- > Upper Merri Creek Community Panel in partnership with Melbourne Water

SEPTEMBER

- > Rural and small towns networking forum held for artisanal producers and farmers
- > Detox Your Home drop off held
- > Seniors Concert held
- > Popeye, our famous one-eyed lost dog rehomed
- > New LOTE collection arrives at libraries
- > Wallan outdoor fitness station opens
- > Dob in a dumper campaign begins
- > Start up, get up business events held

Consultation activities:

- > Chittick Park masterplan
- > Budget simulator consultation and pop-up sessions
- > Wandong speed limit changes
- > Kilmore Creek landscape masterplan
- > Beveridge North West Precinct Structure Plan information session held as part of Victorian Planning Authority wider consultation
- > Seymour levee consultation with input sought from landholders and community
- > Broadford Fromelles Battle mural

OCTOBER

- > Cat curfew officially begins
- > Worm farm and compost subsidy and workshop offered
- > Centenary Drive play space in Kilmore opens
- > Walk to School program held
- > Aussie Backyard Bird Count held
- > My Mitchell photo competition held
- > Skate park competition held
- > Great Victorian Rail Trail was listed on the seven-bucket list rail trail destinations around the world

Consultation activities:

- > Maternal and Child Health service experience feedback
- > Land management forum
- > Seymour levee

NOVEMBER

- > Inaugural Mitchell Community Walk Against Violence held in Kilmore
- > National Recycling Week education campaign delivered
- > Thousands attend Mitchell Pet Expo in Wallan
- > 322 solar panels installed at Seymour Sports and Aquatic Centre
- > New shared path along Watson Street and footpath along Dudley Street in Wallan
- > Mayoral elections held
- > Roadside slashing program begins
- > Old Goulburn Bridge protection works underway
- > Fire Danger Period begins

Consultation activities:

- > Draft plans for Ryans Creek Reserve Kilmore
- > Kilmore Community Hub
- > Immunisation service experience

DECEMBER

- > MyMitchell photo comp finalists announced
- > Sod turned on new Wallan Youth Hub
- > Fishing platform in Seymour officially opens
- > CCTV and light towers installed at Broadford community precinct
- > Wallan play space and half courts construction begins
- > Summer pool season starts

Consultation activities:

- > Ryans Creek Reserve input on draft plans

JANUARY

- > Dob in a dumper summer campaign underway
- > Mitchell Staff support north east fire response
- > Attack of the Plastic Time Monsters event held
- > Australia Day awards presented in Pyalong
- > Maternal and Child Health and Immunisation services being operating from the new Seymour Family and Children's Centre
- > Library fines amnesty offered

Consultation activities:

- > Wallan East Family and Children's Centre
- > Pyalong Park
- > Doolans Lane renaming

FEBRUARY

- > Haystacks youth event held in Kilmore
- > Oak Street roadworks in Seymour start
- > Growing Suburbs funding announced for three projects - Kilmore rejuvenation, Taylors Creek shared pathway in Wallan and Broadford parks and play spaces
- > Danaher Reserve and Botanic Avenue Reserve officially open following upgrades
- > Kilmore District Men's Shed officially opens
- > EPA announces industrial-sized waste dump to be cleared at Newbridge Estate in Wallan
- > Leisure services offer bring a friend for free gym promotion
- > Visitor Information Centre and Environment stand pop-ups are held at Seymour Alternative Farming Expo
- > Fire safety works at Old Broadford Pine Plantation
- > Council supports those affected by train derailment in Wallan

Consultation activities:

- > Kilmore Sport and Recreation study
- > Wallan Family and Children's centre
- > Input sought on new park name in Wallara Waters in Wallan
- > Open day and drop ins held to seek input on Tooborac and Pyalong community plans

MARCH

- > CEO David Turnbull passes away following a short battle with cancer
- > COVID-19 restrictions begin
- > White Street works in Kilmore start
- > Kilmore footpaths missing links projects begin for Union Street and Melbourne Street
- > Flooding and storms impact the municipality
- > Fire danger period ends
- > International Women's Day held with award winning sports broadcaster Tiffany Cherry

Consultation activities:

- > Council supports further investigation into expanding the site following consultation on Broadford Motorcycle Complex expansion and feasibility study in 2019
- > Draft budget and strategic resource plan released for input
- > Levee consultation report presented to March Council meeting
- > Kilmore Sport and Recreation Study consultation continues
- > Members sought for Beveridge Community Centre Advisory Committee
- > Hidden Valley Men's Shed proposal

APRIL

- > More than 60 roads are closed due to storms resulting in damage to 100 culverts, 60 drains, washouts/substantial corrugations, potholes, edge drop offs and other substantial infrastructure damage.
- > Youth photo competition launches
- > Reedy Creek vegetation management works undertaken at Dabyminga Creek

COVID-19

- > Rates and hardship support announced
- > Local support services partnership begins
- > MitchellEats directory launched
- > School holiday and autumn events, libraries, leisure and youth activities all go online
- > Council meeting and Community Questions and Hearings Committee meeting goes online
- > Library due dates extended
- > Special Anzac Day driveway commemoration services
- > Trade and contract roles at Puckapunyal advertised

MAY

- > Fuel reduction works in Reedy Creek underway
- > Water standpipe upgraded at Whitegate Road, High Camp and Goulburn Park Seymour
- > Youth photo competition winners unveiled
- > Keith Street property, Seymour purchased for future community use
- > International Compost Awareness Week education campaign delivered
- > International Day Against Homophobia, Biphobia, Intersexism and Transphobia (IDAHOBIT) Day acknowledged
- > Compost Awareness Week online activities held
- > National Volunteer Week acknowledged

Consultation activities:

- > Planning Scheme Amendments advertised for C151 Kilmore South East Growth Precinct and also a Development Plan for 158 King Street and 157 and 159 William Street Wallan

COVID-19:

- > Support package and fee relief adopted
- > Waste support for those in isolation offered
- > Libraries add new arts and craft livestream and activity hub
- > Recruitment begins for Working for Victoria roles
- > Free small business mentoring

JUNE

- > O'Gradys Road Kilmore works begin
- > Streetlights go 'green' with new power purchase agreement
- > Tootle Street/Centenary Drive bridge in Kilmore opens
- > Orange Door access point announced for Mitchell
- > Kerbside Waste policy updated
- > Elder abuse and family violence respect campaign held
- > Locals feature in StreamJam North East Music Festival, an online youth music festival
- > Community encouraged to make a pledge for World Environment Day
- > Online worm farmer workshop for kids booked out
- > Hundreds attend online screening of 2040 an environmental documentary on regeneration
- > Mitchell Shire Council new CEO announced

Consultation activities:

- > Youth comment card launched to provide feedback to Youth Council
- > Nominations sought for Youth Council members
- > Council decides no levee for Seymour following consultation
- > Budget adopted
- > Graves Street renaming
- > Planning scheme review
- > Broadford playgrounds and playspaces

COVID-19:

- > Civic presentation team on the streets and in the parks
- > DiscoverMitchell Facebook launched to support tourism recovery
- > Pools and indoor gyms re-open and outdoor gym classes resume
- > Parks, playgrounds, skate parks and outdoor fitness stations reopen
- > Seymour Resource Recovery Centre reopens
- > Customer service reopens
- > Libraries reopen for click and collect service
- > Onsite visits return for maternal and child health

Note: many of these services then had to close again with the reintroduction of stage 3 restrictions for Mitchell Shire in July.

CAPITAL WORKS SNAPSHOT

The following is a summary of 2019/20 completed infrastructure projects.

FOOTPATHS

1.7km of Footpath Renewal Program and 500m of missing link projects including:

- > Dudley Street, Wallan
- > Bourke Street, Kilmore
- > Affleck Street, Wandong
- > Dry Creek Road, Wandong

ROAD SAFETY PROJECTS

- > Purchase of a road safety Speed Awareness Trailer
- > Darraweit Road, Wallan – blackspot safety enhancements
- > Conabere Court, Broadford - street lighting

BUILDING, CONSTRUCTION AND IMPROVEMENTS

- > Memorial Park, Wandong – upgrade to public toilets
- > Goulburn Park, Seymour – new public toilets
- > Kings Park, Seymour – construction of new agricultural pavilion (nearing completion)
- > Tallarook Hall rebuild (underway)
- > Upper Plenty Shack rebuild (underway)
- > Wallan Youth Hub (underway)

- > Wallan East Family and Children’s Centre (Kindergarten and MCH) nearing completion
- > Old Goulburn River bridge stabilisation

LEISURE AND RECREATION

- > Wallan Secondary College – shared facility oval construction
- > Goulburn Park, Seymour – fishing platform
- > Kings Park, Seymour – pavilion amenities upgrade
- > Hudson Park, Kilmore – outdoor fitness equipment
- > Broadford Secondary College – shared facility oval construction
- > LB Davern Reserve, Wandong – renewal of tennis / netball courts
- > JJ Clancy Reserve, Kilmore – upgrade to oval lighting
- > Seymour Sports and Aquatic Centre – resurfacing of pool concourse
- > JJ Clancy Reserve – reconstruction of tennis courts
- > Danaher Reserve, Wallan – new play space and half court
- > Centenary Drive, Kilmore – new playspace
- > LB Davern Reserve, Wandong – upgrade to stadium floor

MAJOR PROJECTS SNAPSHOT

ROADS, BRIDGES AND FOOTPATHS

Over the past year, significant road reconstruction and road upgrade projects were delivered in Seymour, Kilmore and Wallan.

In Seymour, a second stage of road rehabilitation works was carried out in Oak Street along with drainage upgrade works at the intersection of Anzac Avenue and Oak Street. Major road rehabilitation works were also undertaken in Wallis Street in the town centre and in McIntyre Street near St Marys Primary School to improve school bus stop facilities. Works also continued to stabilise and secure the Goulburn River Heritage Bridge, with additional work still underway to plan for the future of this important local landmark.

In Kilmore, a number of contracts were awarded for major road projects including the reconstruction of Conway Street near St. Patricks Primary School, Stage 2 of the White Street upgrade and works to reconfigure the intersection of Kilmore East Road and O'Gradys Road to improve road safety and the movement of heavy vehicles accessing the local quarry. The delivery of these significant road projects is currently underway.

In Wallan, road resealing works were carried out in Queen Street and Stanley Street and a contract was awarded for major reconstruction works in Wellington Street.

COMMUNITY BUILDINGS

Tallarook Mechanics Institute Hall

Opened in 1891, the hall had been a community hub for nearly 130 years with many activities, events and functions held across generations, Dances, fundraisers, meetings and a host of community events, more recently, the building was home to the Tallarook Farmers' Market and a range of classes and community activities. However, in May 2018 a fire gutted the community facility, and since that time, significant work has been undertaken to see that this valued community building is rebuilt.

During demolition, a number of parts were able to be salvaged for samples to assist with the rebuild including samples of pressed metal, the windows and the colour scheme. The new façade uses key design features of the old hall shape and style with a modern twist. This blend of old and new will continue throughout the hall with a contemporary look that honours the hall's history and adds more flexibility to the use of the hall space.

The hall is managed by the Tallarook Mechanics Institute Committee of Management and owned by Council, who have worked in close partnership with the committee and the wider community during the rebuild, undertaking significant community engagement. The hall is being rebuilt through Council's insurers who engaged Bay Builders. The committee and community members are also assisting with various in-kind support and volunteer hours.

A \$200,000 Victorian Government grant was secured by Member for Northern Victoria and Minister for Regional Development, the Hon. Jaclyn Symes MP to assist with items such as design, contents, landscaping and equipment replacement.

The rebuild is expected to finish later this year including the internal fit out, landscaping and the installation at the entrance to the Hall of the ceramic pieces created by the community with local artist Sandra Bowkett, having been carefully removed and stored.

RECREATION, PARKS, PLAYGROUNDS AND OPEN SPACE

2019/20 has been another busy year for improvements within Mitchell Shire. The provision of active and passive open space and sporting facilities contributes to the health and wellbeing of our community.

Broadford

- > Harley Hammond Reserve, Broadford: oval lighting renewal and upgrade
- > Broadford Secondary College Sports Precinct: pitch and oval lighting renewal and upgrade

Council contributions to these projects were supported by funding from the Sport and Recreation Victoria (SRV) Shared Facilities fund (VSBA).

Kilmore

- > JJ Clancy Reserve, Kilmore: oval lighting renewal and upgrade, renewal and upgrade of 4 tennis courts, courts lighting upgrade and expansion
- > Centenary Drive, Kilmore: play space renewal and upgrade, half court provision

Council contributions to these projects were supported by funding from SRV, AFL Victoria, Council Sport Australia, Tennis Victoria, Kilmore Tennis Club and the Growing Suburbs Fund.

Seymour

- > Kings Park, Seymour: CFA track renewal and pavilion amenities
- > Seymour Better Parks project: Goulburn Park amenities and fishing platform

Council contributions to these projects were supported by funding from Regional Development Victoria (RDV) and Fisheries Victoria.

Wallan

- > Wallan Secondary College oval rebuild and lighting to facilitate community use
- > Wallan Bowling Club lighting
- > Wallan Play Space renewal and upgrade and half courts provision – Danaher Reserve and Botanical Drive Reserve

Council contributions to these projects were supported by funding from the Shared Facilities Fund (VSBA), SRV and the Growing Suburbs Fund.

Wandong / Heathcote Junction

- > Wandong Stadium sprung floor installation and lighting upgrade
- > Wandong LB Daven Reserve netball/tennis courts and lighting

Council contributions to these projects were supported by funding from SRV.

ENVIRONMENT

In May 2020, Council endorsed and adopted the inaugural Mitchell Shire Council Environment policy. The vision is that *“Mitchell Shire Council is a leader in sustainable environmental management across our business operations and in support of the wider community”*.

The purpose of the policy is to guide Council’s decision-making processes and embed environmental considerations across the organisation, as well as setting environmental goals for the delivery of Council’s services.

The policy is divided into six strategic aims, which are listed below with Council’s commitments:

Energy

- > We will have zero net emissions by 2050.

Climate Change

- > We will continue to reduce greenhouse gas emissions to minimise the impact of climate change.
- > We will continue to respond to climatic changes and emergencies.

Land and Biodiversity

- > We will practice, promote and encourage sustainable, innovative and adaptive land management that responds to climate change.
- > We will protect, restore and connect landscapes by increasing the extent and quality of native habitat.

Water

- > We will reduce water use and increase water quality.

Urban Ecology

- > We will build and retrofit infrastructure and development that embraces Environmentally Sustainable Design principles that adapt to climate change.

Resource Use and Waste Management

- > We will practice sustainable procurement throughout the supply chain and delivery of our services, including consideration of environment/climate change criteria in procurement.
- > We will actively promote and participate in the circular economy and will seek to avoid and reduce waste in Mitchell Shire’s operations.

Council will continue to collaborate with our government agency partners and take an advocacy role to achieve the goals of this policy where further funding support is required.

For further details or to view the policy, including the 2050 goals visit

www.mitchellshire.vic.gov.au

EMERGENCY MANAGEMENT AND RESPONSE

Summer bushfire season

Mitchell Shire staff supported our Council neighbours during the battle to contain fires in the North East of the state in January 2020. Our staff were deployed to assist people in the Wangaratta, Alpine and Towong shires utilising a range of skills, expertise and manpower to meet the needs of the response and recovery process. The decision to send our staff was weighed up against the needs of Mitchell Shire during this high fire danger period. Our Emergency Management Team ensured that we remained prepared if an emergency was to occur within the shire. Mitchell Shire provided on-ground coordination of Local Government response operations, relief centre assistance and providing valuable support at an animal relief centre.

The Mitchell Shire Municipal Fire Management Plan (MFMP) has been reviewed and updated. The MFMP aligns with the Victorian Fire Risk Register – Bushfire. The review engaged key stakeholders in the MFMP to ensure their mitigation programs accountabilities and responsibilities were included and linked their organisational plans. The review and update ensure the MFMP remains contemporary and adaptable to the changing fire management environment.

Storm damage

There were several large weather events that occurred over the past 12 months, which caused extensive damage across Mitchell Shire's infrastructure network.

When major weather events reach certain monetary milestones, they can be declared as claimable events, and Council can recover costs spent on repairing Council's assets via the Disaster Recovery Funding Arrangements administered by Emergency Management Victoria, Department of Justice and Community Safety.

Council has successfully delivered works and claimed over \$2,000,000 in this financial year with a further \$700,000 submitted awaiting approvals.

COVID-19 Pandemic

During the COVID-19 pandemic crisis, our Emergency Management Team has been coordinating support to residents requesting assistance resulting from the impact of COVID-19. The Emergency Management Team, as part of the Shire Recovery Team, liaises and works with support agencies, organisations and community groups to ensure that requests for assistance are delivered quickly and safely.

Frontline support

In these times, the community are more and more reliant on Councils for information. Our staff have been receiving inquiries on COVID-19 services outside Council's control and jurisdictions. As a result, we have been collaborating with our colleagues from key community services (NEXUS Primary Health, Kilmore Hospital, Family Care etc.) to share information. This means they will provide Council with information about what they are doing so that we can provide assistance to the community at first contact, acting as a triage support for individuals who may never have accessed services in the past. A one-stop-shop for information - this is a first for Mitchell Shire, and our Customer Service teams have worked hard to ensure that our community has swift ready access to information.

CONSULTATION

Local government is the closest level of government to the community. We also have legislated responsibilities for community engagement and the health and wellbeing of people in our municipality. We have a critical role to help understand, plan and advocate for the needs of our community and we rely on the strength of our relationship with our community to do this well. Our Community Engagement Framework commits Council to best practice engagement principles and provides the basis for a consistent approach to engagement activities across the organisation.

We encourage community members to get involved in consultation opportunities - whether you're a ratepayer, a resident, a volunteer, someone who works or studies in Mitchell Shire, a business owner or operator, a visitor to our community or an interested community member. Your input helps us to consider a range of views and interests to make more informed decisions on your behalf. This ultimately leads to better outcomes for our community and helps us deliver on our vision and mission – together with the community, creating a sustainable future. Council's consultation and engagement projects are listed in the 2019/20 in Review, beginning page 16.

Visit www.engagingmitchellshire.com to provide input on a range of plans, projects and policies.

COMMUNITY SATISFACTION SURVEY

Each year, Local Government Victoria (LGV) coordinates and auspices an annual Community Satisfaction Survey for Victorian councils. Based on input from 400 residents, the annual survey measures satisfaction across core indicators and key service areas for Mitchell Shire Council.

Libraries, customer service and the appearance of public areas have topped the list as the best performing areas for 2020 in the community satisfaction survey followed by the appearance of public areas; recreational facilities; emergency and disaster management; enforcement of local laws; family support services; business support; community and cultural; and waste management in the top 10. Satisfaction with population growth and business growth has increased slightly.

Satisfaction with roads has dropped despite a large increase in expenditure last year. We also have low results for footpaths and slashing and weed control despite a considerable investment in these important areas over the last few years. In addition to individual service areas, the survey also measures core indicators including overall performance and direction. These have decreased following last year's results; however, they remain on an upward trend over the past five years.

The survey also identifies key areas to focus on to improve satisfaction with overall performance. Interestingly, when asked what Council could do to improve satisfaction, most respondents cited things that are the responsibility of State Government and not Local Government. In the case of Mitchell Shire Council, respondents identified community decisions, condition of local roads, lobbying, community consultation and waste management as areas of particular focus for improvement.

OUR RESULTS

CORE MEASURES	2016	2017	2018	2019	2020
Overall performance	42	48	54	55	52
Consultation and engagement*	42	47	53	53	52
Lobbying (advocacy)*	40	45	48	50	49
Making community decisions	41	46	50	52	49
Sealed local roads	37	38	43	47	46
Customer service*	60	63	70	70	68
Overall council direction	37	53	56	54	50
SERVICE MEASURES	2016	2017	2018	2019	2020
Customer service*	60	63	70	70	68
Emergency and disaster management	-	-	67	69	63
Waste management	61	65	65	61	56
Family support services	-	-	63	66	60
Appearance of public areas	59	61	63	68	66
Recreational facilities	55	62	62	63	63
Community and cultural	-	-	59	60	57
Environmental sustainability	-	-	56	57	52
Informing the community	46	52	54	56	54
Consultation and engagement*	42	47	53	53	52
Planning and building permits	-	-	51	50	49
Community decisions*	41	46	50	53	19
Business and community development	-	-	50	54	-
Business support	-	-	-	-	58
Planning for population growth	39	44	50	47	48
Slashing and weed control	-	-	49	51	44
Tourism development	-	-	48	49	49
Lobbying (advocacy)*	40	45	48	50	49
Unsealed roads	-	-	41	43	41
Sealed local roads	37	38	43	47	46

*indicates a core measure that is also a service area measure

[The full report can be accessed via Council's website.](#)

THE LIFE STAGES STRATEGY

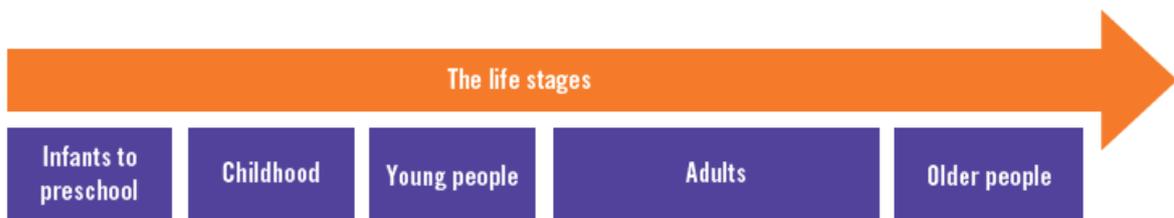
The Life Stages Strategy (Strategy) was endorsed by Council in November 2019.

THE VISION

The vision of the Mitchell Shire Life Stages Strategy is that people are valued, supported, well connected and well as they transition through the life stages. This Strategy is aspirational, aiming to nurture Mitchell Shire as a place where locals are proud to live, learn, work and play.

The Strategy enables Council to genuinely embrace the needs of our entire community, from conception to end of life. It enables Council to build upon our achievements in providing for infants to preschool aged children, young people and older people and capture life stages previously not reflected in Council's strategic planning framework such as 6-11 year-olds, 25-64 year-olds and the diversity of family structures and living arrangements.

THE LIFE STAGES



The five life stages are:

- > Infants to preschool (0-5 years of age)
- > Childhood (6-11 years of age)
- > Young people (12-24 years of age)
- > Adults (25-64 years of age)
- > Older people (65+ years of age)

The Life Stages are different phases of life that people pass through in a lifetime, defined by critical transition periods. Each of the five Life Stages experience unique transitions and common challenges. These have been informed by what the community and service providers have told us, Mitchell Shire Council staff experience in service and program delivery, research, demographic data, and governmental policies and frameworks.

FOCUS AREAS AND ASPIRATIONS

The Mitchell Shire Life Stages Strategy has three focus areas:



The order of the aspirations reflects the community's ranking of their importance. The action plan has been influenced by the community voice and prioritises the aspirations that are most important to the community.

COMMUNITY VOICE

The community voice shapes Mitchell Shire Council's work. The Strategy was drafted in consultation with people across the life stages within our community, service provider partners and draws on numerous surveys.

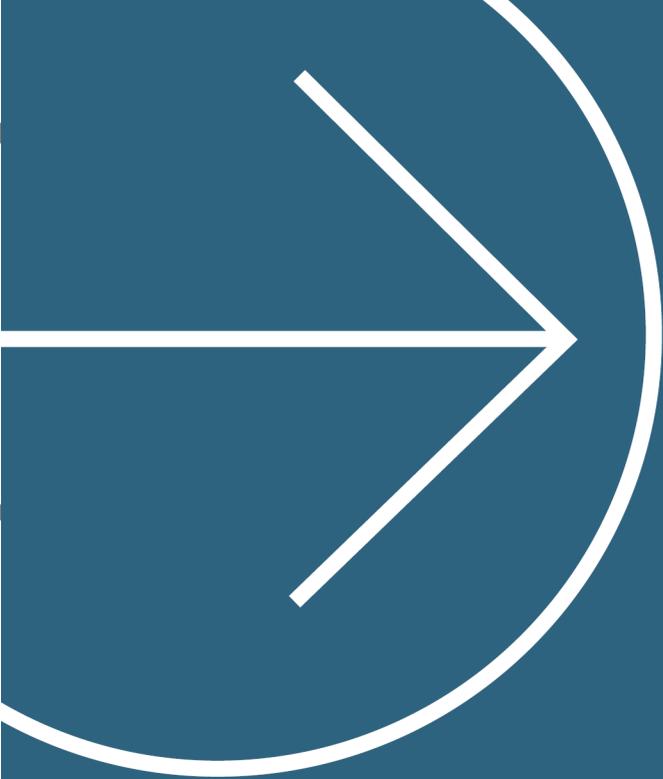
Targeted consultation captured the voice of the youngest members of our community. Pre-school children participated in an art project and Primary school children completed a survey in word or pictures. Young people, adults and older people were invited to complete a Life Stages survey online or in hard-copy, available at our libraries and Youth Services facilities.

Service Providers were consulted and provided with hard copy surveys or completed surveys online.

The consultation informed our understanding and experiences of our community across the life stages. The aspirations within the Strategy and Action Plan were prioritised and ordered according to the importance given to them by the community.

ACTION PLAN

The Consultation and the Strategy informed the development of a four-year Life Stages Action Plan (2020-2024) which is now being implemented. The Life Stages Action Plan is an internal Mitchell Shire Council, cross-organisational action plan that encourages a life stage lens to shape all of Council's work. The action plan will be reviewed annually.



ABOUT MITCHELL SHIRE COUNCIL



OUR VISION

OUR VISION

Together with the community, creating a sustainable future.

OUR MISSION

Working with our community to build a great quality of life.

Mitchell Shire Council:

- > is committed to providing good governance and compassionate leadership
- > is committed to supporting our diverse community
- > values community involvement, and vigour and diversity of opinion
- > recognises the commitment of our staff
- > will protect and enhance our natural environment
- > will plan for and promote our future
- > will promote economic development within our municipality

OUR ORGANISATION VALUES: ONE MITCHELL – WE WORK AS ONE!



Working Together

- > Teams work together to get the job done
- > Leaders guide and inspire



Respect

- > People respect and help each other to succeed
- > Staff are appreciated and valued
- > Success is celebrated



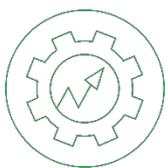
Customer Service Excellence

- > Customers experience exceptional service
- > Customers and staff are treated with dignity and respect
- > We do what we say we're going to do



Accountability

- > Every person is accountable for the success of One Mitchell...It starts with me!
- > A strong sense of dedication and pride
- > A strong sense of community and belonging



Continuous Improvement

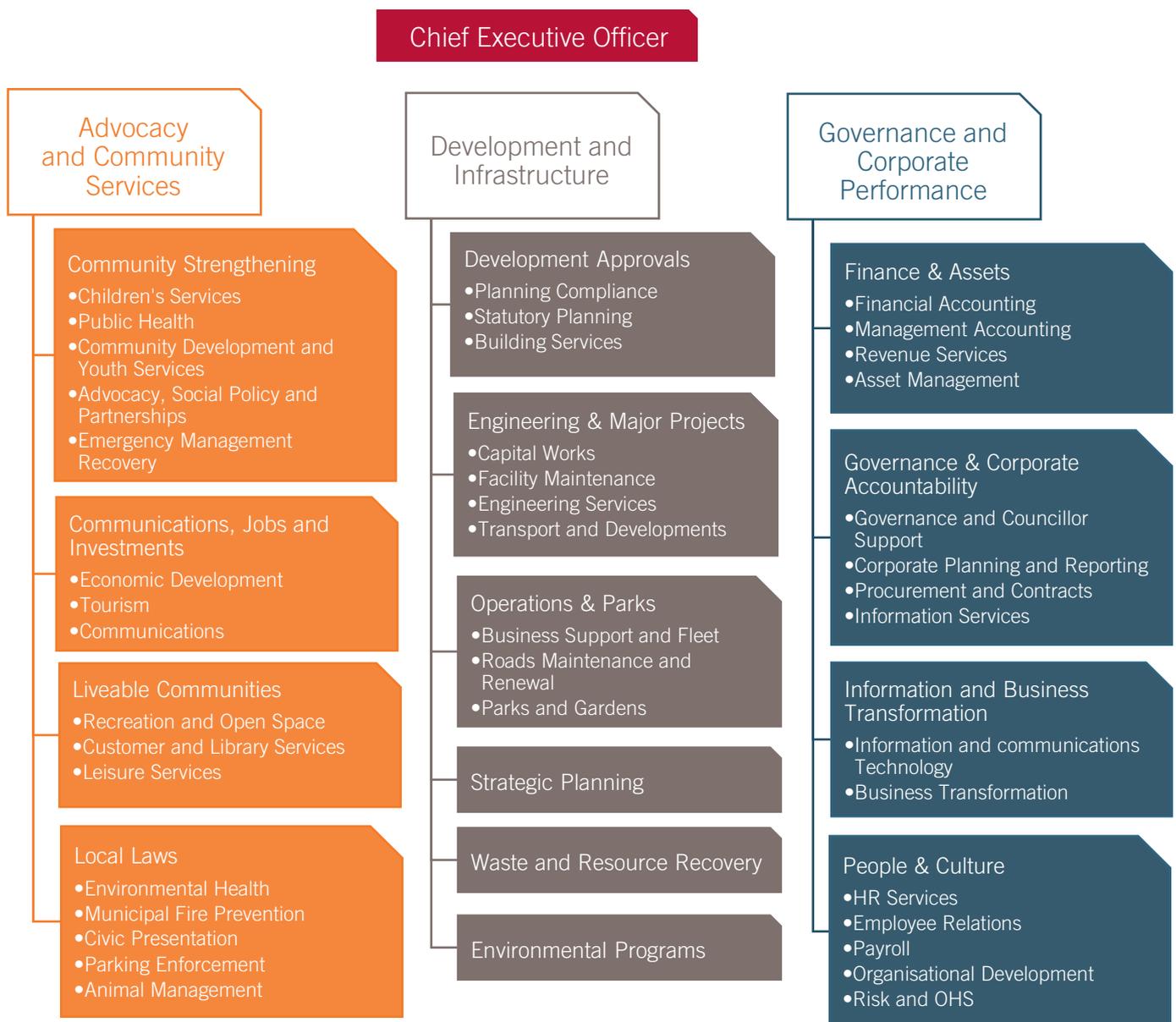
- > Look for ways to improve the ways we work
- > Develop staff to be the best that we can be

OUR ORGANISATION

The Executive Leadership Team is comprised of the CEO and three Directors.

The CEO is responsible for managing the organisational structure for the Council, ensuring that council decisions are implemented, the day to day management of the council's operations and providing advice to Council.

The CEO is also responsible for supporting the mayor in the performance of their role, and the development, implementation and enforcement of policies and protocols to manage interactions between councillors and Council staff.



OUR PEOPLE

Our five values of working together, respect, customer service excellence, accountability and continuous improvement drive our customer-focused service delivery.

ABOUT OUR PEOPLE

As at 30 June 2020, Council had 281 full-time equivalent employees compared to 268 at 30 June 2019, reflecting the growth and growing needs of our community. This includes permanent, temporary and casual positions in roles covering areas such as planning, engineering, parks and environment, customer service, maternal, child and youth services, sport, leisure and recreation, finance, administration and management.

A summary of the number of full time equivalent (FTE) council staff by organisational structure, employment type and gender follow:

Gender		Office of CEO	Governance and Corporate Performance	Development and Infrastructure	Advocacy and Community Services	Total
Female	Casual	-	0.01	1.03	1.47	2.51
	Full time	2.00	29.60	18.00	39.50	89.10
	Part time	-	4.19	9.90	58.61	72.70
	Total	2.00	33.80	28.93	99.58	164.31
Male	Casual	-	-	0.22	0.51	0.73
	Full time	-	14.00	77.00	17.00	108.00
	Part time	-	1.11	5.17	1.59	7.87
	Total	-	15.11	82.39	19.10	116.60
X or prefer not to say	Casual	-	-	-	-	-
	Full time	-	-	-	-	-
	Part time	-	-	-	-	-
	Total	-	-	-	-	-
Organisation total FTE		2.00	48.91	111.32	118.68	280.91

A summary of the number of full time equivalent (FTE) staff categorised by employment classification and gender is set out below.

Structure Classification	Band 1	Band 2	Band 3	Band 4	Band 5	Band 6	Band 7	Band 8	All other	Total FTE
Permanent Full Time - F	-	-	4.00	16.00	20.00	19.00	5.00	11.00	14.10	89.10
Permanent Full Time - M	-	1.00	23.00	17.00	10.00	12.00	9.00	15.00	21.00	108.00
Permanent Full Time - X	-	-	-	-	-	-	-	-	-	-
Permanent Part Time - F	2.88	7.57	4.59	18.34	3.63	7.40	2.03	0.60	25.65	72.70
Permanent Part Time - M	1.28	-	2.37	1.91	-	1.10	-	-	1.21	7.87
Permanent Part Time - X	-	-	-	-	-	-	-	-	-	-
Casual - F	0.16	0.05	1.01	0.21	0.02	0.01	-	-	1.05	2.51
Casual - M	0.01	-	0.11	0.01	0.10	0.10	-	0.01	0.39	0.73
Casual - X	-	-	-	-	-	-	-	-	-	-
Organisation total	4.33	8.62	35.08	53.48	33.75	39.61	16.03	26.61	63.40	280.91

Gender categories

F - Female

M - Male

X - Indeterminate /Intersex /Unspecified/Prefer not to say

EQUAL EMPLOYMENT OPPORTUNITY AND DIVERSITY

Mitchell Shire Council is committed to the principles of equal employment opportunity (EEO) and believes that all employees, contract workers, agents and volunteers are entitled to work in a flexible and safe environment. Our policies and practices help ensure that discrimination relating to gender and gender identity, age, disability, marital status, sexual orientation, parenthood, race, colour, national extraction, social or ethnic origin, religion or political affiliation are not tolerated.

Training in the Prevention of Bullying, Harassment and Discrimination has been provided to all staff and all new staff members are inducted and receive training via e-Learning in EEO.

The *Free Mitchell from Violence – Gender Equity Project* delivered stage one of the program, including:

- > Increased promotion of gender equality through organisational policies, plans, strategies and procedures
- > Gender Equality training and module completion embedded into staff induction
- > Organisational leadership commitment through qualitative support for ongoing workplace initiatives
- > Gender equality awareness and understanding from Leadership increased from projects

- > Improved collaborative and collective impact efforts to improve workplace culture attitudes and behaviours to promote gender equality
- > Delivery of two “Family Violence Roundtable” discussions
- > Increased focus on the broader community’s understanding and awareness of gender equality

Early in the new financial year, stage two will include collaboration with Women’s Health Goulburn North East on the delivery of training to support our leaders and staff after the Gender Equity Act 2020 was enacted in February 2020. The Act aims to improve workplace gender equality across the Victorian public sector, universities and local councils. It will also lead to better results for the Victorian community through improved policies, programs and services.

Gender equality benefits people of all genders. The Act aims to level the playing field so that Victorians can have equal rights, opportunities, responsibilities and outcomes.

WORKING FOR VICTORIA

As a result of the COVID-19 Pandemic, the Victorian State Government provided grant money for Local Government organisations to support the economy and provide employment opportunities for individuals whose employment has been impacted by the necessary pandemic restrictions.

Mitchell Shire’s grant application was successful, and \$3.8M was received, allowing the organisation to create 74.5 FTE positions for 6 months. To put this into perspective, this is an increase of 23 percent to Council’s Full Time Equivalent staff resources.

Positions included: social planners, youth workers, risk specialists, accountants, IT specialists, administration officers. Arborists, engineers, streetscape and playground cleaners, also electricians, plumbers, builders and handypersons to assist with the maintenance of our building infrastructure.

The program has provided the opportunity for Council to work in partnership with other local organisations, including The Bridge Youth Services (Youth Counsellors), Family Care (Social Workers) and Nexus Primary Health (Social Workers, National Disability Insurance Scheme Officer and HR Officer). These roles have provided much needed additional support to these organisations and our community.

Mitchell Shire’s business community has also been assisted directly with the help of our Economic Development team who have recruited business specialists, taxation specialist, grant writer, digital marketing. Also, supporting “Go Seymour” with a technical expert to assist with drawing tourism to Mitchell Shire.

LEARNING AND DEVELOPMENT

This year Council continued to run a tailored and varied training program aimed at developing Council staff. The plan was aimed at all levels, providing key skills for work within the Local Government sector. A total of 46 programs were provided to staff with over 800 attending the various sessions.

Notable highlights include:

- > A Diploma in Project Management - certified training run for 26 employees, in conjunction with Swinburne University.
- > Certified training (Diploma or Certificate) in Leadership and Management
- > Mate2Manger Leadership training
- > AS4000-1997 Contract Management training
- > Highly popular training in conflict management, negotiation skills, assertiveness skills and the Microsoft suite of programs.
- > Continuation of compliance training modules – over 2,000 modules assigned
- > Women in leadership development training
- > Superannuation Information Sessions
- > Investigation Project to provide further learning options to staff through LinkedIn Learning. Pilot to commence in 2020/21 financial year

ORGANISATIONAL CULTURE

One Mitchell is a culture program, framed around the principle 'We work as one!'

One Mitchell works to implement projects and initiatives that create a positive culture and healthy working environment for all staff. This initiative will continue to be used to drive positive behaviours and create an environment where people consistently say Mitchell is a great place to work.

One initiative this year has been to relaunch Council's induction program, ensuring an informative and practical onboarding experience with an emphasis on our culture and values. The induction was successfully converted to an online version with the Covid-19 outbreak. Also, based on feedback from staff, we have implemented an online system of performance reviews called 'My Plan' – which speaks to our value of Continuous Improvement.

This year, Council modified its annual Engagement and Alignment Survey to one more focused on employee wellbeing. The results showed that there is still a very positive culture within Council, with 87% of staff giving a very positive or positive score on Council's performance during the pandemic and the wellbeing of staff. Council will repeat this survey in September 2020 to track employee wellbeing over time.

YEARS OF SERVICE

Each year Council celebrates the Years of Service (YOS) worked by our long-serving employees, staff are recognised for their 5, 10, 15, 20 and 30 years of employment at Mitchell Shire Council. Certificates were presented to our eligible 5 Years of Service recipients at Council's all staff briefing sessions. The formal presentation of YOS awards has been postponed due to the COVID-19 pandemic.

However, this year, we are pleased to recognise and celebrate two members of staff who have 30 years of service to Council. Alongside this we also recognise two staff at 20 years, nine at 15 years and four at 10 years.

HEALTH AND WELLBEING

With the onset of the COVID-19 Pandemic, staff health and wellbeing has become more important than ever. This year, Council employed its first Return to Work and Wellbeing Officer, which was a big step in recognising that employee wellbeing is a benefit to Council and improves organisational culture. As in previous years, the Health and Wellbeing committee has created a broad program of events and initiatives.

Notable highlights include:

- > Training through the Resilience Project
- > Mindfulness training with Sam Eddy
- > Introduction of the staff wellbeing hub – a multi-use space at Broadford and Wallan
- > Introduction of the online wellbeing hub – a intranet site which provides information and links for employees
- > Focusing the annual engagement survey towards staff wellbeing
- > Men's health week
- > RU OK day
- > 16 Days of Activism
- > Mindful Employer training
- > 50 health checks for outdoor staff
- > International Women's Day promotion
- > The Virtual Wellbeing Hub on Yammer updated regularly with tips
- > Yoga classes in Wallan and at the new multi-use space at Broadford

OUR VOLUNTEERS

Council acknowledges and greatly appreciates the vital role our volunteers play in building strong, inclusive and resilient communities. Volunteers are at the heart of our community and their hard work, dedication and commitment certainly doesn't go unnoticed.

Council is committed to supporting the development of volunteering across the Shire, including operating a free volunteer website www.volunteeringmitchell.com.au.

The online platform is a one-stop-shop for volunteering and allows community members and organisations to find and advertise volunteer roles.



PERFORMANCE REPORTING

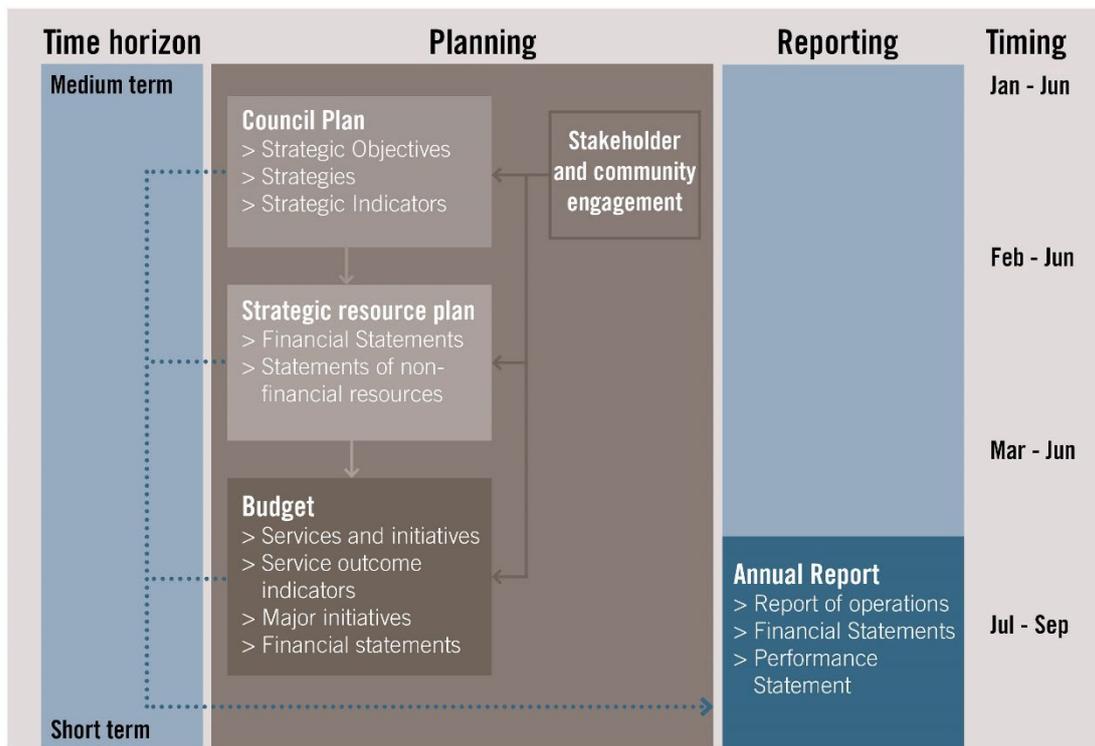
PERFORMANCE REPORTING

VICTORIAN PLANNING AND ACCOUNTABILITY FRAMEWORK

The *Local Government Act 1989* and the *Local Government Planning and Reporting Regulations 2014* require all Victorian 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
- > A Budget for each financial year
- > An Annual Report for each financial year.

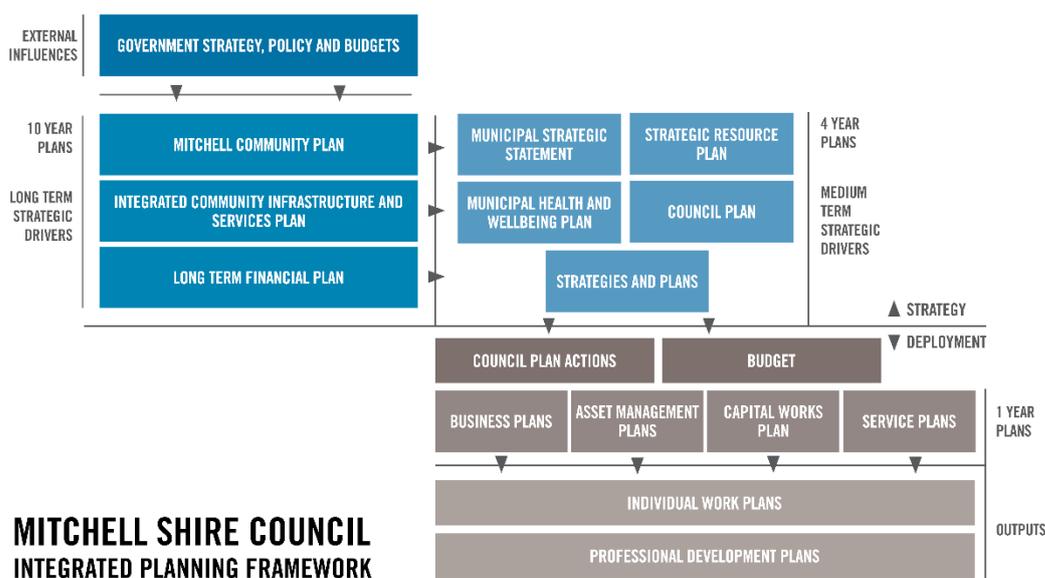
The following diagram shows the relationships between the key planning and reporting documents that make up the planning and accountability framework for local government. It also shows the opportunities for community and stakeholder involvement, input and feedback at various stages of the planning and reporting cycle.



OUR INTEGRATED PLANNING & REPORTING FRAMEWORK

Mitchell Shire Council's integrated planning and reporting framework assists Council to align key plans and strategies with available resources. The framework also provides a basis to monitor and measure performance.

The Council Plan forms a fundamental part of Mitchell's Integrated Planning Framework. The Council Plan is the connection between the external influences of government policy and population growth, Mitchell Shire's 2020 Community Plan, and Council's long-term planning processes. The following diagram emphasises the links between each of the elements.



The priorities in the Mitchell Shire Council Plan 2017 - 2021 (2019 revision) are the result of in-depth community consultation. Council reviews the Plan every year to ensure the priorities and objectives remain relevant. If changes are needed, further community consultation is undertaken. Each year we prepare an annual Action Plan which commits Council to delivering specific actions to help us achieve our Strategic Objectives. The Budget is set with these priorities in mind.

Mitchell is committed to implementing an integrated approach to planning, implementation and performance reporting.

Planning is undertaken annually to review the Council Plan, develop department business plans and prepare individual work plans. This ensures a strong line of sight between Council's strategic direction, available financial resources and day-to-day delivery.

COUNCIL PLAN PERFORMANCE

Performance against the Council Plan is reported to our community in the Midyear Update Report and here in the Annual Report. These performance updates are posted on Council's website after the Council meeting at which they have been considered. These reports enable the community to note our progress and achievements and to see how we adjust priorities to meet any challenges that arise.

The Council Plan 2017 – 2021 (2019 revision) includes seven strategic objectives. Strategies for achieving these over the four-year period are covered in the Plan and a Strategic Resource Plan.

The following section provides a report of Council's performance against each strategic objective in the Council Plan, as well as progress in relation to the Annual Action Plan in the Council Plan and the major initiatives identified in the annual Budget.

Information about services funded in the budget and the people or sections of the community who the services are provided for is also included as well as results for the prescribed service performance indicators and measures in the Local Government Performance Reporting Framework.

KEY AND STATUS SUMMARY FOR 2019/20.

Of all actions undertaken:



60% (60 actions) are on track.



8% (8 actions) have been deferred to next financial year.



25% (25 actions) have progressed slower than expected.



6% (6 actions) are behind target

n/a

1% (1 action) is no longer required.

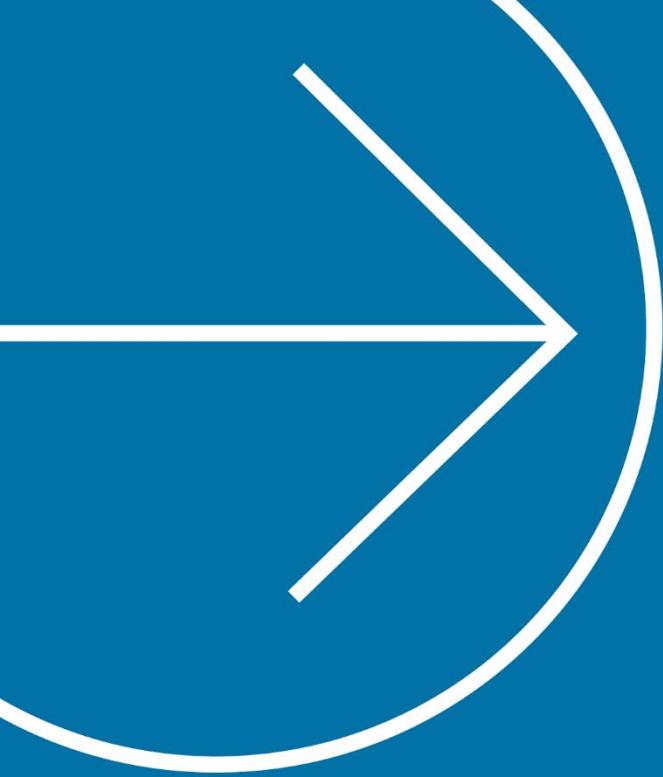
Of all incomplete actions:



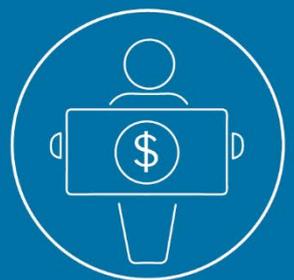
23% (23 actions) will be completed in next financial year.



8% (8 actions) have been impacted by COVID-19 related restrictions and / or redistribution of resources and will be completed in next financial year.



ADVOCACY



Kilmore East Railway Station

STRATEGIC OBJECTIVE 1: ADVOCACY

To relentlessly advocate for funding to benefit our community.

To achieve our objective, we will:

- > Establish an Advocacy Strategy that includes key priorities, and clear roles and responsibilities.
- > Establish and maintain local and regional partnerships to secure funding and policy commitments.
- > Support and collaborate with local groups and organisations to access potential funding and identify joint advocacy priorities.

CONTEXT

Mitchell Shire has an estimated population of 52,225. By 2048 it is expected that 270,000 people will call Mitchell home.

A critical role of Council is to advocate to State and Federal Governments, industry and business to ensure we can provide high quality services, programs and infrastructure which meets the complex needs of our existing and emerging communities.

Council will focus on strategically advocating for key local priorities to help plan and deliver the services and infrastructure that underpin liveable and socially sustainable community. We will focus on advocacy for our existing towns and rural areas as well as advocacy to support rapid growth and development of new towns in the south of the Shire.

Working in partnership with State and Federal governments to plan and deliver projects will ensure Mitchell Shire is a place where people want to live and work, now and into the future.

SERVICES FUNDED

The following statement provides information in relation to the services funded in the 2019/20 Budget and the people or sections of the community that the services are provided for.

These services are provided for the whole community.

SERVICE	DESCRIPTION
SOCIAL POLICY AND PARTNERSHIPS	<p>This service is focused on influencing many of the social determinants of health and wellbeing, developing an early preventative model where services and community infrastructure can be delivered ahead of growth.</p> <p>By building significant relationships and partnerships, Council ensures timely and accurate information can be provided on social planning and community infrastructure needs.</p> <p>Community and social planning play a pivotal role in creating and maintaining healthy, connected and sustainable communities.</p> <p>Building opportunities to fine tune planning, social policy and advocacy. deliver richer community outcomes.</p>

COUNCIL PLAN – ANNUAL ACTION PLAN

The following is a review of the progress of the Council Plan 2017 - 2021 Annual Action Plan 2019/20.

Strategy 1.1: Establish an Advocacy Strategy that includes key priorities, and clear roles and responsibilities

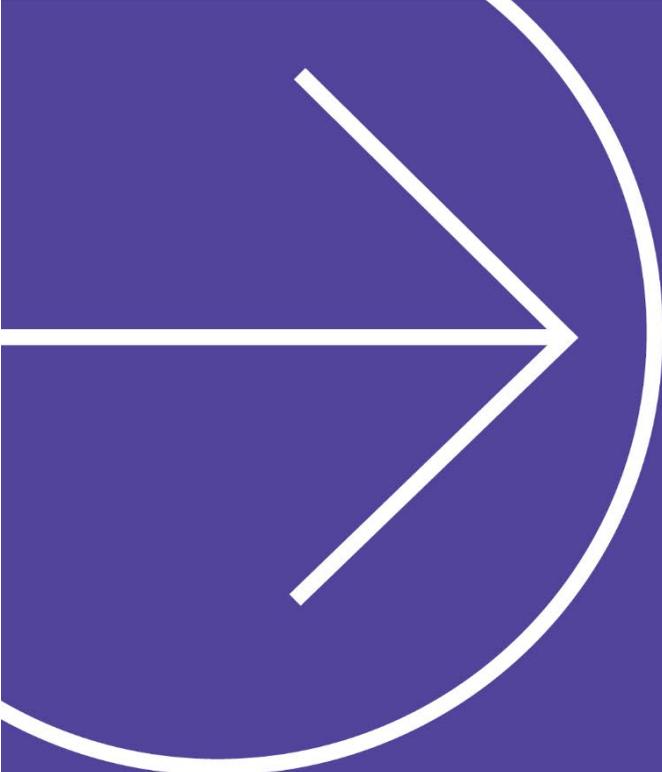
2019/20 Actions	Duration	Full Year Target %	% complete	Progress comment
Develop Advocacy Framework	Year 3	100	90 	<p>After the 2019 Federal Election, a review of Council's Advocacy Campaign was undertaken identifying a series of key learnings, and drafting of an Advocacy Policy commenced.</p> <p>At the heart of this is the 'advocacy statement': "Mitchell Shire Council aims to create and maintain a healthy, connected and sustainable community now and into the future". The advocacy statement is intended to frame a whole-of-Council approach to advocacy and provide a point of focus to support Council's efforts to represent our community.</p> <p>The Senior Management Team undertook a workshop that involved an overview of the Advocacy Policy, governance structure and sought input into the development of the advocacy focus areas. Consequently, the Advocacy Policy has been drafted, and feedback is being sought from the Senior Leadership Team, prior to presentation to the August 2020 Council meeting.</p>
Business Cases for key advocacy priorities are developed: Greenhill recreation and leisure precinct site investigation and masterplan	Year 3	100	70  	<p>Preparation commenced for a concept masterplan for the Greenhill site which identifies land areas that can be used to accommodate particularly active recreation areas, as well as the infrastructure servicing requirements for the site. It also includes an overview of the likely servicing needs and costs to establish a recreation precinct, as well as spatially allocating various open space uses across the site, including high level principles for sloping land and hilltop.</p> <p>As a result, business cases have been developed for additional external grant opportunities resulting from COVID-19 economic stimuli packages - 2 Growing Suburbs Fund, 1 Sport and Recreation Victoria. Completion of the Greenhill Precinct Plan has been temporarily delayed due to COVID-19 restrictions.</p>

Strategy 1.2: Establish and maintain local and regional partnerships to secure funding and policy commitments

2019/20 Actions	Duration	Full Year Target %	% complete	Progress comment
Advocate for stronger recycling sector and transition to a circular economy	Year 3	100	100 	After consultation with and a submission made by Mitchell and other Councils, the Victorian State Government released its circular economy policy 'Recycling Victoria' with accompanying action plan in late February 2020. The policy includes details about Victoria's kerbside reform transition planning to further separate waste at the kerbside. Officers are reviewing the information to determine the implications for Mitchell Shire.

Strategy 1.3: Support and collaborate with local groups and organisations to access potential funding and identify joint advocacy priorities

2019/20 Actions	Duration	Full Year Target %	% complete	Progress comment
Undertake forward design of Recreation and Open Space Advocacy projects	Year 3	100	100 	Forward designs were completed for six Sport and Recreation Victoria grant application projects and applications submitted for all. This was more than what was first planned in response to additional funding stream opportunities being made available.



COMMUNITY PARTICIPATION



'A Step for the Homeless' Volume Colour Dash, Seymour Racing Club.

STRATEGIC OBJECTIVE 2: COMMUNITY PARTICIPATION

To actively explore all opportunities for community involvement and participation in Council decisions.

To achieve our objective, we will:

- > Review and improve our community engagement framework.
- > Provide opportunities for inclusive participation across the Shire.
- > Simplify ways the community can engage with Council and access information.

CONTEXT

Council is committed to engaging with the community to ensure that a diverse range of voices are heard including those that are harder to reach. Fostering transparent, inclusive and meaningful engagement is central to the delivery of high-quality services and infrastructure.

By working closely with the community and stakeholders, Council aims to make decisions that are more broadly informed and reflective of the diverse range of views in our community. Council will communicate regularly with community about how it balances community views with resourcing and financial constraints and how we consider a range of views before making decisions.

Council will actively engage with our community to improve collaboration, and work to ensure our communication is simple to understand and consistent with the needs and expectations of our community.

SERVICES FUNDED

The following statement provides information in relation to the services funded in the 2019/20 Budget and the people or sections of the community that the services are provided for.

These services are provided for the whole community.

SERVICE	DESCRIPTION
COMMUNICATIONS	This service oversees all public communications activities associated with the organisation.

COUNCIL PLAN – ANNUAL ACTION PLAN

The following is a review of the progress of the Council Plan 2017 - 2021 Annual Action Plan 2019/20.

Strategy 2.1: Review and improve our community engagement framework				
2019/20 Actions	Duration	Full Year Target %	% complete	Progress comment
Evaluate the 'Engaging Mitchell' digital platform and implement agreed improvements	Year 3	100		This initiative has been deferred due to changes to the <i>Local Government Act 2020</i> and the engagement principles therein.
Implement the Community Engagement Framework	Year 3	100		This project has been deferred and realigned to tie into changes to the <i>Local Government Act 2020</i> .

Strategy 2.2: Provide opportunities for inclusive participation across the Shire

2019/20 Actions	Duration	Full Year Target %	% complete	Progress comment
Evaluate the Aboriginal and Torres Strait Islander Maternal and Child Health (MCH) programs and present report to Council	Multi-year	90	90 	Project evaluation will be completed at the beginning of July following the completion of the annual report. A report will be presented to Council on the completion of the AMCHI program and plans to ensure going forward that Aboriginal children and their families are engaged in the MCH Service. Mitchell has achieved participation rates of 82.33% in 2018/19 and 85.71% in 2019/20, which exceeds the average of all Victorian councils.
Implement Beveridge Library Services	Year 3	100	100 	Micro-Library services have been implemented at the Greater Beveridge Community Centre, and the hours of operation were expanded in November 2019 due to community response. Customer service functions have been planned to commence by the end of the year, however, this may be impacted by Pandemic restrictions.
Undertake “1000 Books Before School” Program	Year 3	100	100 	Mitchell Shire libraries are participating in the State Library of Victoria’s “1000 books before school program”. The program is a great way to track your child's reading progress. By starting any time before your child begins school, your child has until the end of term 1 of the year they start school to finish reading.
Explore expansion of Cultural Playgroups Program	Year 3	100	60  	Unfortunately, further exploration and implementation of Cultural Playgroups program did not occur due to pandemic restrictions. Hoping to connect our increasingly diverse communities, this important project is planned to recommence as soon as restrictions are lifted.
Increase Outdoor Pool visitation rates	Year 3	100	100 	Due to a cooler than average summer season, the attendance of our outdoor pools plateaued this year, as most weekends did not reach the trigger point for pools to open. However, due to the success and popularity of the free outdoor pool entry program, our Leisure Services team will continue to provide this in 2020/21.

Strategy 2.2: Provide opportunities for inclusive participation across the Shire

2019/20 Actions	Duration	Full Year Target %	% complete	Progress comment
Implement the Life Stages Plan	Multi-year	40	100 	<p>The Life Stages Strategy was adopted by Council in October 2019. It has been prepared to ensure people moving through different stages of their life are supported, connected and well. The Year One Action Plan has been completed and will commence in 2020/21. The draft strategy outlines 3 priority areas:</p> <ul style="list-style-type: none"> > Health, wellbeing and safety > Learning, participation, jobs and enterprise > Partnerships, services and infrastructure
Evaluate the place-based community planning pilot program	Year 3	100	100 	<p>The Pilot Program was successfully completed.</p> <ul style="list-style-type: none"> > Tooborac Community Plan was developed and launched; engagement culminated in Community Barbecue in February 2020. Initiatives progressing include promotion of the Tooborac Primary School (supported under the Rural Towns Activation Grants) and preliminary scoping of township streetscape master plan. > Pyalong Community Plan was developed and launched; engagement culminated in Community Barbecue in February 2020. Initiatives progressing include completing the missing link footpath from town centre to recreation reserve, and consultation and investigation regarding fire risk mitigation at recreation reserve pine plantation. > Beveridge Community Plan development centred around community activation, focused on Greater Beveridge Community Centre. Further progress on community engagement and plan finalisation was impacted by COVID-19, however there is opportunity for Greater Beveridge Community Centre reference group (again establishment impacted by COVID-19) to take a lead in driving further community activation in the future. <p>A key element of the project is the community taking a lead in implementation and COVID-19 has impacted this mobilisation. However, key priorities are being recognised through Council's capital works program and transition discussions are underway on how best to support community capacity to continue implementation.</p>

Strategy 2.2: Provide opportunities for inclusive participation across the Shire

2019/20 Actions	Duration	Full Year Target %	% complete	Progress comment
Consult and conceptualise an approach regarding further off-lead dog parks across the municipality	Year 3	100	100 	<p>Council continues to look for sites to accommodate community, and dog, requirements for future parks. The benefits to pet and owner, the safety of our community, and the sheer popularity of off-lead dog parks, all ensure that future needs continue to be considered.</p> <p>A location in Kilmore has recently been completed, and work is being undertaken in Beveridge with a developer to implement a park, and another at Beveridge Recreation Reserve. Future requirements are also being considered within the Chittick Park Seymour Master Plan.</p>

Strategy 2.3: Simplify ways the community can engage with Council and access information

2019/20 Actions	Duration	Full Year Target %	% complete	Progress comment
Implement the Communication Strategy year 1 action plan	Year 3	100	40  	The Communication Strategy is still in draft and while work progressed in early 2020, this has temporarily stalled due pandemic support and recovery support priorities.
Undertake a Brand Audit	Year 3	100		The brand audit has been put forward for funding allocation in the 2020/21 Budget.
Improve social media archiving to meet records management requirements	Year 3	100	100 	The implementation of digital archiving platform "Brolly" has enabled us to meet our records management requirements for social media communication.
Train Staff and Councillors in Community Engagement methods	Year 3	100		Community Engagement training for staff and Councillors deferred until resources available.
Deliver greater community access to the progress of the annual Capital Works Program	Year 3	100	100 	An interactive list of the Capital projects is now available on the Mitchell Shire Council website, where residents can find information based on area. Details include anticipated completion date, cost and related projects.

RESPONSIBLE PLANNING



View of Mt Frasier, Beveridge



STRATEGIC OBJECTIVE 3: RESPONSIBLE PLANNING

To demand best practice outcomes when planning for future growth.

To achieve our objective, we will:

- > Plan for growth and change through best practice design of services, infrastructure, open space and recreation facilities.
- > Plan for a diversity of housing and households.
- > Prioritise environmental and sustainability outcomes in planning decisions.
- > Review heritage values and support the community in protecting and enhancing local natural and built heritage.
- > Improve planning processes to ensure user-friendly and timely planning processes and high-quality decisions.
- > Employ best practice planning tools to achieve desired outcomes.
- > Improve the liveability of Mitchell Shire.
- > Support safe communities through best practice design and planning standards.
- > Improve the accessibility and connectivity of pedestrian and cycle paths within and between our towns.
- > Protect and enhance local ambience, amenity and character.

CONTEXT

Mitchell Shire is set to experience significant population growth and change over the next 20 years. It is vital that Council undertakes long term strategic planning now to ensure existing and future residents have access to diverse housing, community, recreational, educational, transport and employment opportunities. It is important that this planning is sensitive to the distinctive characteristics of the Shire including local heritage, cultural and environmental values.

Council will work to facilitate significant investment and development opportunities that align with the long-term vision and goals of our community.

SERVICES FUNDED

The following statement provides information in relation to the services funded in the 2019/20 Budget and the people or sections of the community that the services are provided for.

These services are provided for the whole community. There is a key focus on builders and developers, as well as community members who use Council facilities such as buildings, parks and assets.

SERVICE	DESCRIPTION
ENGINEERING	This service is responsible for providing Civil Engineering services and advise for capital projects, as well as asset and property management.
FACILITY MANAGEMENT	This service is responsible for managing building infrastructure maintenance and tracking, and asset renewal expenditure.
STATUTORY PLANNING	This service processes statutory planning applications, building approvals and provides control and compliance under the relevant legislation.
STRATEGIC PLANNING	This service delivers positive land use planning outcomes for current and future generations as well as an environmentally healthy and sustainable Council. It is also responsible for Growth Area Planning.
SUBDIVISIONS AND MAJOR DEVELOPMENTS	This service is mainly responsible for Subdivision plan checking and strategic transport assessments.

COUNCIL PLAN – ANNUAL ACTION PLAN

The following is a review of the progress of the Council Plan 2017 - 2021 Annual Action Plan 2019/20.

Strategy 3.1: Plan for growth and change through best practice design of services, infrastructure, open space and recreation facilities

2019/20 Actions	Duration	Full Year Target %	% complete	Progress comment
Develop the Seymour Revitalisation Plan	Year 3	100	100 	Work with the State Government project team has been completed, to finalise the business case for submission to the Department of Treasury and Finance, including securing Councillor approval. The final meeting with Community Working Group has occurred, and all relevant reporting requirements have been completed. Further action on this project is dependent on the outcome of the proposal to the Department.
Develop the Chittick Park Masterplan	Year 3	100	70 	This project has been delayed by a resourcing gap, and the draft Plan further impacted due to Pandemic restrictions.
Prepare the Kilmore (town centre) Infrastructure delivery plan	Year 3	100	100 	<p>Significant traction has been achieved to progress upgrades to public realm infrastructure in Kilmore town centre, as part of the Kilmore Rejuvenation initiative.</p> <p>In particular, planning work has commenced for the Project, after successfully securing \$2.423mil from the DELWP Growing Suburbs Fund during Q3. Also, during Q4, Council successfully secured \$500k funding from the State Government's Regional Jobs and Investment Fund for Kilmore Rejuvenation - Sydney Street Public Realm Upgrades (Stage 2A).</p> <p>Council officers are now actively and rapidly progressing, in tandem, both projects to deliver significant public realm upgrades to Sydney Street between Bourke Street and Clarke Street.</p>
Undertake the Kilmore Creek Precinct Plan	Year 3	100	90 	The Draft Plan has been completed after consultation with all major stakeholders. It will be presented to council for consideration.

Strategy 3.1: Plan for growth and change through best practice design of services, infrastructure, open space and recreation facilities

2019/20 Actions	Duration	Full Year Target %	% complete	Progress comment
Commence a service review of Council's rural linkage roads	Year 3	100	60 	Data gathering has been completed and information has been mapped into our Geospatial Information System (GIS). As a result of successfully recruiting a Senior Traffic Engineer late in Q4, work will continue with an aim to provide input into next year's capital works budget submission.
Develop a Hudson Park Masterplan	Year 3	100	100 	<p>Work being completed in conjunction with Kilmore Creek Landscape Master Plan and Kilmore Community Hub projects. Draft Hudson Park landscape plan developed for integrated community consultation on all three projects.</p> <p>In addition to this free and accessible all-ability outdoor fitness equipment has been installed in Hudson Park, promoting physical activity and fostering positive social connections through the provision of accessible, non-discriminatory safe spaces for all ages and abilities to exercise.</p>
Develop a JJ Clancy Masterplan	Year 3	100	85 	Comprehensive audits have been conducted on all facilities within the complex, and consultation with all user groups and reserve Committee of Management representatives undertaken. Broader community consultation has been undertaken on sport and recreation facility needs in Kilmore, and as a result, the Draft JJ Clancy Reserve master plan has now been incorporated with Kilmore Sport and Recreation Facilities Plan work.
Implement priority actions from the Sports Lighting Audit	Year 3	100	100 	Highest priority upgrade projects delivered, including JJ Clancy Reserve oval, Harley Hammond Reserve oval, LB Davern Reserve netball/tennis courts, JJ Clancy tennis courts, Chittick Park oval, Wandong Stadium and Broadford Secondary College sportsgrounds. New lighting was part of Wallan Secondary College oval rebuilding project. Harley Hammond and Greenhill netball courts work in progress. Furthermore, included in 2020/21 Capital budget are Greenhill main oval and Robson Stadium Court 1. Also, several maintenance works will be undertaken at other sites to improve compliance.

Strategy 3.1: Plan for growth and change through best practice design of services, infrastructure, open space and recreation facilities

2019/20 Actions	Duration	Full Year Target %	% complete	Progress comment
Develop clear processes and expectations in relation to the ongoing review, management and implementation of Developer Contributions.	Year 3	100	80 	<p>Development contributions committee established (DCC), and the Terms of Reference have been agreed to, and now meets monthly to consider infrastructure priorities and works in kind arrangements for local infrastructure proposed within our designated growth areas.</p> <p>Mitchell partnered with regional councils to prepare a development contributions toolkit, to ensure administration and implementation of infrastructure contributions are made in a consistent manner. A report was presented to the Audit and Risk Committee detailing our response to the findings from VAGO on development contributions in Victoria.</p>

Strategy 3.2: Plan for a diversity of housing and households

2019/20 Actions	Duration	Full Year Target %	% complete	Progress comment
Prepare the Social and Affordable housing policy and strategy	Year 3	100	50  	<p>Work continues with the development of Mitchell Shire 'Social and Affordable Housing Policy, Strategy and Action Plan.' A draft discussion paper was prepared, providing background information on the affordable housing issues and challenges facing Mitchell. It included definitions and descriptions of affordable housing and the ways in which Council can facilitate it, as well as a demographic overview of Mitchell to identify trends and localised differences, and an explanation of potential affordable housing models.</p> <p>The paper ultimately aims to assist Council in articulating and determining its role, function in social and affordable housing. As part of this initiative work was undertaken to include a statement on social and affordable housing in Beveridge North West (BNW) Precinct Structure Plan (PSP).</p> <p>The draft document is currently being reviewed internally preparation for targeted consultation.</p>

Strategy 3.3: Prioritise environmental and sustainability outcomes in planning decisions

2019/20 Actions	Duration	Full Year Target %	% complete	Progress comment
There is regular and timely engagement and communication with the Environmental Advisory Committee	ongoing	Ongoing		There were 5 Mitchell Environment Advisory Committee meetings in 2019/20 as well as regular correspondence outside of the meeting schedule.

Strategy 3.4: Review heritage values and support the community in protecting and enhancing local natural and built heritage

2019/20 Actions	Duration	Full Year Target %	% complete	Progress comment
Progress the Mitchell Shire Planning Scheme Review	Year 3	100	50  	The 12B Report is being presented to Council in September 2020 to consider the initial findings with the full review and amendment to be presented in 2021.

Strategy 3.5: Improve planning processes to ensure user-friendly and timely planning process and high-quality decisions.

2019/20 Actions	Duration	Full Year Target %	% complete	Progress comment
Implement the eServices Project solution for statutory planning and building	Year 3	100	90 	Recurring technical difficulties have delayed finalisation of this project.

Strategy 3.5: Improve planning processes to ensure user-friendly and timely planning process and high-quality decisions.

2019/20 Actions	Duration	Full Year Target %	% complete	Progress comment
Undertake planning assessment process review and improvements	Year 3	ongoing		Mitchell Shire Council Statutory Planning team continuously review and refine their processes, however significant change is being impacted by delays with the eServices Project.
Reduce the dependency of development approvals on paper processes	Year 3	100		The Statutory Planning team now operate in a completely paperless environment. Building Services have demonstrated that, through the Pandemic period, they can also operate without the use of paper, and processes will be refined in the next period.

Strategy 3.6: Employ best practice planning tools to achieve desired outcomes

2019/20 Actions	Duration	Full Year Target %	% complete	Progress comment
Complete the Planning Policy Review	Year 3	n/a	 n/a	Relates to planning scheme review (Strategy 3.4)

Strategy 3.7: Improve the liveability of Mitchell Shire

2019/20 Actions	Duration	Full Year Target %	% complete	Progress comment
Business as usual	ongoing	ongoing		Mitchell Shire Council in partnership (and funding) with DHHS, DELWP commissioned RMIT to develop the report - <i>Neighbourhood Liveability Assessment of the major townships of the Mitchell Shire: Beveridge; Broadford; Kilmore; Seymour and Wallan.</i>

Strategy 3.8: Support safe communities through best practice design and planning standards

2019/20 Actions	Duration	Full Year Target %	% complete	Progress comment
Develop 'Landscape and Open Space Design Standards for New Developments'	Year 3	100	40  	Checklists and forms have been created and generally implemented on new developments, however, after the departure of our Landscape Architect in early Q3, this project was put on hold. Recent recruitment of a Senior landscape Planner will see this further developed in the coming year.

Strategy 3.9: Improve the accessibility and connectivity of pedestrian and cycle paths within and between towns

2019/20 Actions	Duration	Full Year Target %	% complete	Progress comment
Business as usual	ongoing	ongoing		Land use planning and strategic transport needs are fundamental to the future planning and development of Mitchell. Council officers regularly communicate these principals to our key stakeholders including VicRoads, Transport for Victoria and major landowners in identified growth areas.

Strategy 3.10: Protect and enhance local ambience, amenity and character

2019/20 Actions	Duration	Full Year Target %	% complete	Progress comment
Continue to develop the Rural Land and Activities Review	Year 3	100	95 	Draft strategy was presented to council in March 2020 with the intention to release for community and stakeholder consultation. This has been on hold given the current Pandemic environment. An update will be given to Councillors in July of next steps.

SERVICE PERFORMANCE INDICATORS

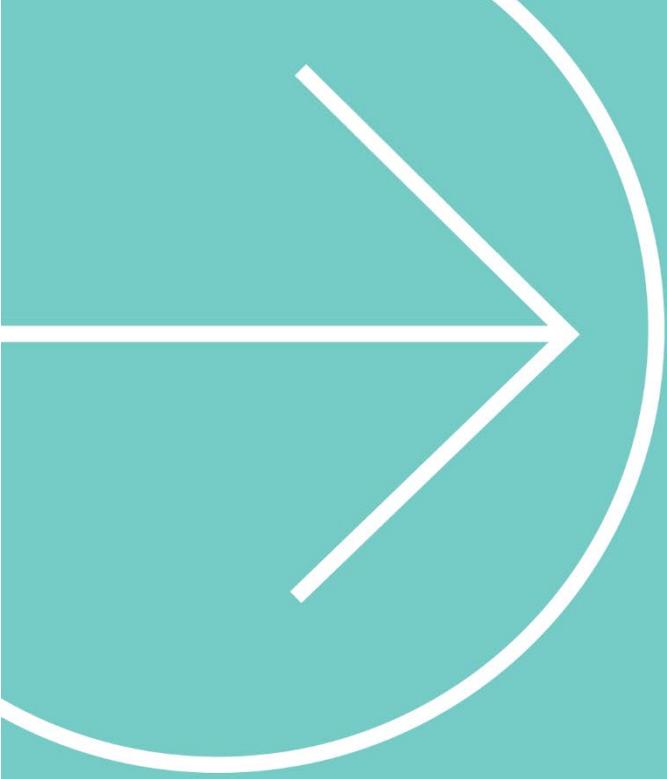
The following statement provides the results of the prescribed Service Performance Indicators and measures in the Local Government Performance Reporting Framework.

Service/indicator/measure	2016/17 Result	2017/18 Result	2018/19 Result	2019/20 Result	Comments
Roads					
Satisfaction of use					
<i>Sealed local road requests</i>	28.81	15.05	19.57	47.05	Our Roads Maintenance team collect customer request data through a search of the corporate recordkeeping system, using keyword search terms and the date range for the financial year. This list is further interrogated by the Capital Works Coordinator to establish the exact number of road requests that relate to the sealed road network.
[Number of sealed local road requests / Kilometres of sealed local roads] x100					Officers have worked toward improving the accuracy of this data across both teams, and further improvement is expected in the future as the Customer Request Management System Project is rolled out across the organisation.
Condition					
<i>Sealed local roads below the intervention level</i>	94.05%	94.27%	95.45%	95.56%	Sealed road condition audits are conducted every 3-4 years and are currently being completed. Council has committed to significantly increase budget allocations for future rectification works.
[Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads] x100					

<i>Service/indicator/measure</i>	2016/17 Result	2017/18 Result	2018/19 Result	2019/20 Result	Comments
<i>Service cost</i>					
<i>Cost of sealed local road reconstruction</i>	\$95.23	\$137.47	\$64.26	\$180.90	Costs to re-construct sealed roads during the 2019/20 financial year are considered to be within acceptable limits and represent value for money.
[Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]					The pavement's thicknesses and its layer composition are the major determinants of the final cost of a pavement construction. During the 2019/20 financial year, the program consisted of heavy pavement replacements such as Wallis and Oak Streets pavements in Seymour. This resulted a higher cost per sqm than in previous years.
<i>Service Cost</i>					
<i>Cost of sealed local road resealing</i>	\$16.87	\$24.79	\$12.40	\$0	The resealing program was not undertaken this financial year due to contractor issues.
[Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]					
<i>Satisfaction</i>					
<i>Satisfaction with sealed local roads</i>	38	43	47	46	Our community's level of satisfaction, while slightly lower than in the previous year and Council continues to work to improve in this area.
[Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads]					

Service/indicator/measure	2016/17 Result	2017/18 Result	2018/19 Result	2019/20 Result	Comments
Statutory Planning					
<i>Timeliness</i>					
<i>Time taken to decide planning applications</i>	86	84	104.00	116.5	<p>Council made 365 planning application decisions in the reporting period with a median of 116.5 gross days. Gross days is the total number of days an application is with Council from the date of lodgement to the date of a decision.</p> <p>Unlike "statutory days" prescribed by planning legislation, gross days includes the period when Council waits for further information from permit applicants if additional information is required. Therefore, the number of gross days taken to determine an application is typically greater than statutory days in cases when further information is required.</p>
[The median number of days between receipt of a planning application and a decision on the application]					
<i>Planning applications decided within 60 days</i>	76.05%	77.06%	76.74%	71.23%	<p>Of the 365 planning application decisions made, 250 applications were decided within 60 statutory days, and 10 VicSmart applications within 10 days. Statutory days relates to set timeframes identified by planning legislation during the planning application process.</p> <p>This includes a time period of 60 days which enables a permit applicant to lodge an application for review at the Victorian Civil and Administrative Tribunal (VCAT) if Council exceeds this time period. Statutory days do not include the days when Council waits for further information from an applicant.</p>
[Number of planning application decisions made within 60 days / Number of planning application decisions made] x100					

<i>Service/indicator/measure</i>	<i>2016/17 Result</i>	<i>2017/18 Result</i>	<i>2018/19 Result</i>	<i>2019/20 Result</i>	<i>Comments</i>
<i>Service cost</i>					
<i>Cost of statutory planning Service</i>	\$2,292.33	\$2,606.68	\$2,163.90	\$3,261.25	The cost per application for the service has increased in 2019/20 financial year due to a doubling of the workload of Planning Enforcement, and increased usage of contract staff to fill vacancies during the year.
[Direct cost of the statutory planning service / Number of planning applications received]					
<i>Decision making</i>					
<i>Council planning decisions upheld at VCAT</i>	100.00%	33.33%	25.00%	100.00%	In 2016/17, 2 of 2 decisions were upheld at VCAT, in 2017/18 1 of 3 were upheld. In 2018/19 2 of 8 were upheld. Now in 2019/20, 2 of 2 decisions were upheld. As in previous years, any change in the results of such a small number of decisions has a significant impact on our % result.
[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					



STRONG COMMUNITIES



Community Bank® Adventure Playground, Hadfield Park, Wallan

STRATEGIC OBJECTIVE 4: STRONG COMMUNITIES

To build and nurture strong and vibrant communities where people are proud to live.

To achieve our objective, we will:

- > Promote a safe and secure environment throughout the Shire.
- > Empower our volunteer community.
- > Establish and maintain high quality roads, footpaths, parks, recreation facilities, streetscapes, bike paths and public open spaces.
- > Work with government and local partners to facilitate improved community wellbeing.
- > Provide opportunities to build strong and resilient citizens for our current and future generations.
- > Provide adaptable community infrastructure and participation opportunities for all ages, cultures and abilities.

CONTEXT

Council is committed to improving community wellbeing by providing services, programs and infrastructure that support the needs and aspirations of our community. Council supports the community by providing a range of services and programs across all life stages including maternal and child health programs, early years and kindergarten, youth services and ageing as well as library, recreation, public health and aquatic services. Council also supports a range of community, creative and cultural events and celebrations aimed at supporting a vibrant and positive culture.

We manage and maintain an extensive network of roads, footpaths, parks, recreation facilities, streetscapes, bike paths and open spaces focusing on ensuring these facilities are well maintained, fit for purpose and support the needs of our community.

Council works with the community to provide a safe and nurturing environment where people of all ages, gender, sexuality, abilities, cultures and backgrounds are supported to work together and reach their full potential.

SERVICES FUNDED

The following statement provides information in relation to the services funded in the 2019/20 Budget and the people or sections of the community that the services are provided for.

These services are provided for the whole community.

Early years services are provided for families and young children. Aged and disability support is provided for older people and people with a disability as well as service providers. Arts, culture, leisure, library and community development services are provided for the whole community.

SERVICE	DESCRIPTION
ARTS AND CULTURE	This service undertakes planning and community engagement to encourage community members to access and partake in arts and culture opportunities across the Shire, including public art, community events and activities.
CHILDREN'S SERVICES	This service is responsible for the management of nine licensed kindergartens, providing high quality education that enhances the health and wellbeing of children and families within the community.
COMMUNITY DEVELOPMENT, AGED CARE SERVICE PLANNING AND DISABILITY SERVICE PLANNING	This service works in partnership with residents, community groups, organisations and government agencies to build an active, vibrant, healthy and socially connected community. This is achieved through targeted program and service delivery, social planning and policy. This service also coordinates community festivals and events across the Shire.
CUSTOMER AND LIBRARY SERVICES	This service delivers four integrated libraries and customer service centres. It also provides outreach services to aged facilities, the house bound, and schools, as well as children's and youth activities. The Kilmore Library provides an extended service that includes VicRoads, VLine, the sale of fishing and mining licenses and visitor information.
LEISURE CENTRES	This service manages six leisure facilities - three outdoor seasonal pools, two indoor aquatic and fitness centres and the Wallan Adventure Playground which incorporates a splash park. This service also offers programs and services outside these facilities.
LOCAL LAWS	This service is an educational and enforcement team responsible for animal management, parking management, asset protection, local laws and the fire prevention program across the Shire.
OPERATIONS (ROADS)	This service is responsible for the maintenance of the Shire's infrastructure assets. It includes roads, footpaths, bridges, drainage and street furniture. It also manages Council's plant and vehicle fleet.

SERVICE	DESCRIPTION
PARKS AND GARDENS	This service is responsible for maintaining parks and gardens, playgrounds and sports fields and managing arboriculture, and roadside fire prevention.
PUBLIC HEALTH	This service incorporates Maternal and Child Health, Immunisations and Environmental Health. Seven Maternal and Child Health Centres across the Shire deliver the schedule of contacts and activities prescribed by the Department of Education and Training for all families. This service has an emphasis on prevention, health promotion, early detection, and intervention as required. The childhood immunisation program is provided as prescribed in the National Immunisation Schedule. Immunisations are delivered at a range of public sessions across the Shire and to staff through the flu vaccination program, as well as directly to schools. Environmental Health implements and maintains effective Environmental Health services for the Mitchell community which protect public health and wellbeing.
RECREATION AND OPEN SPACE	This service directly manages several recreation facilities and sporting complexes in Mitchell Shire and is the liaison point between Council, recreation facility committees of management, clubs, and user groups. The service also undertakes future planning for recreation facilities and open space areas.
SCHOOL CROSSING SUPERVISORS	This service provides school crossing services across the municipality.
YOUTH SERVICES	This service provides support for young people. Key activities include policy formation, community development, referral, social education, participation programs, and skills development (such as leadership skills).

COUNCIL PLAN – ANNUAL ACTION PLAN

The following is a review of the progress of the Council Plan 2017 - 2021 Annual Action Plan 2019/20.

Strategy 4.1: Promote a safe and secure environment throughout the Shire

2019/20 Actions	Duration	Full Year Target %	% complete	Progress comment
Prepare the Fire Management Strategy	Year 3	100	90 	The draft Plan has been produced and a progress update was presented to the Municipal Fire Management Planning Committee (MF MPC) in May 2020. Finalisation of the Plan will be ready to re-present to MF MPC at the end of July 2020.
Implement the <i>Emergency Management Act 2018</i>	Year 3	100	100 	Further progress is awaiting release of Municipal Guidelines to review and prepare the Municipal Emergency Management Plan Committee (MEMPC) for change on 1 Dec 2020. Council Officer is formal member of Hume Region Emergency Management Planning Committee.
"Greening the North" - develop a collaboration between Northern Councils	Year 3	100	100 	The "Greening the North Group" is now active. This group was inspired by the success of the "Greening the West" project, a regional initiative that aims to deliver positive health and social outcomes in the western suburbs of Melbourne through urban greening.
Develop a Gambling Impacts policy	Year 3	100		Work on reviewing the Mitchell Shire Council Electronic Gaming Machine Social Policy will commence in the second half of the year.
Progress the Seymour Levee project (consultation)	Year 3	100	100 	Significant community consultation was completed, and at a Special Meeting of Council in June 2020, it was resolved not to pursue construction of the levee.
Complete the Kilmore Flood Study	Year 3	100	100 	The Flood study was completed, and the community consulted with at draft stage to seek input and feedback. The Study to be refined by the Goulburn Broken Catchment Management Authority (GBCMA) for future planning scheme amendments, as well as with our Strategic Planning team in coming years.

Strategy 4.1: Promote a safe and secure environment throughout the Shire

2019/20 Actions	Duration	Full Year Target %	% complete	Progress comment
Complete the Sunday Creek Flood Study	Year 3	100	70 	Community consultation has been undertaken. Community members invited to share local flood knowledge with the project team including Council officers, GBCMA and appointed consultants. Hydraulic modelling works are still in progress.

Strategy 4.2: Empower our volunteer community

2019/20 Actions	Duration	Full Year Target %	% complete	Progress comment
Expand home library services to include use of volunteers	Year 3	100	100 	The home library service was expanded at the commencement of the Pandemic restrictions to include more vulnerable members along with self-isolating residents. Unfortunately, use of volunteers had to be suspended due to restrictions.

Strategy 4.3: Establish and maintain high quality roads, footpaths, parks, recreation facilities, streetscapes, bike paths and public open spaces

2019/20 Actions	Duration	Full Year Target %	% complete	Progress comment
Implement a paperless system to administer the Road Management Plan	Year 3	100	80 	New systems and devices were trialled by our roads inspectors prior to purchase. Unfortunately, the devices delivered did not meet our requirements and replacement devices are due 30 July 2020.
Commence a review of the 'Missing Link' footpath program	Year 3	100	50  	Review has commenced with an aim to feed into 2021/22 Capital Works Budget submission process.
Develop service plans for open space and recreation across the Shire	Year 3	100	90 	Facility improvement programs have been developed for different categories of services - sports lighting, play spaces, sports courts, sportsgrounds, pavilions. Work on community halls needs are currently in progress.
Undertake a street tree inventory and gap analysis	Year 3	100	90 	Council has employed a Tree Services Coordinator who commenced in October 2019, and specialist contractors commenced and audit of the street trees in Mitchell Shire. The tree population was estimated at 25,000, however, the actual figure is expected to be in excess of 40,000. It is expected that this audit will be completed in August 2020.
Develop service levels and an implementation plan for standards regarding open space management (maintenance)	Year 3	100	100 	Finalised and being implemented.

Strategy 4.4: Work with government and local partners to facilitate improved community wellbeing

2019/20 Actions	Duration	Full Year Target %	% complete	Progress comment
Present the Municipal Health and Wellbeing Plan (MHWP) Year 3 Action Plan to Council for consideration, and implement (as recommended)	Year 3	100	100 	<p>A report is being prepared for Council summarising the Year 3 Action Plan achievements. This includes:</p> <ul style="list-style-type: none"> > Successful delivery of Walk to School initiative with a 33% increased uptake in Primary Schools participating with a total of 12 schools participating, and successful engagement of all 7 Secondary Schools in RAMS (Resilience Across Mitchell Shire) Program > Delivery of LIFT Model with 811 Counselling Sessions to 128 young people for improved mental health outcomes - the LIFT Mental Health Program has a strong focus on providing integrated, consumer and community focussed support through provision of tailored individual and group program services by Nexus Primary Health and the Eastern Primary Health Network. > Successful completion Wallan Youth Mental Health Strategic Plan for integration into MPHWP > Partnership of 20 cross-sectoral organisations delivering 15 events across 6 towns over the 16 days of Activism campaign period, reaching an estimated 885 number of people. > Delivery of 4618 AOD (alcohol and other drug) sessions to 335 clients across Mitchell Shire. > Successful delivery of an Elder Abuse education session in August 2019 with over 40 attendees from key agencies and students of the aged-care sector. > Promotion of the child safe standards across council, from recruitment through to project management planning considerations. Posters displayed supporting reporting processes and outlining our Statement of Commitment. Council actively participates in events raising awareness of child protection and the rights of children. > Mitchell Shire Council in collaboration with Primary Care Connect has established the 'Mitchell Shire Council Gambling Harm Prevention Network'

Strategy 4.4: Work with government and local partners to facilitate improved community wellbeing

2019/20 Actions	Duration	Full Year Target %	% complete	Progress comment
				<ul style="list-style-type: none"> > Herd immunity achieved across the municipality for children 4years and under with immunisation rates at or above state-wide average > Gender lens audit undertaken of all policies and procedures with recommendations endorsed > Successful delivery of Annual Seniors Concert with 120 participants > Successful integration of Seniors Festival Program into Positive Ageing Newsletter, over 1300 copies distributed in hard copy and as e-newsletter > Delivery of 5 Coffee with a cop session's in collaboration with local businesses, Victoria Police members and Council > Ongoing monitoring of CCTV surveillance at Hadfield Park, Wallan and Broadford Community Precinct with ongoing successful outcomes in perpetrator identification/apprehension and improve safety perceptions across both areas. > Successful integration of the Volunteer Advisory Committee (since adapted into the Volunteering Mitchell Support Network) with meetings convened to advise on local barriers to engaging volunteers and workshop issues in a peer setting. Challenges and concerns communicated to the Volunteering Victoria Support Network to inform State policy. > Engagement of young people through the 2019/2020 Youth Council Program. Consultation undertaken in relation to Environment, Waste, Strategic Planning, Engineering, Advocacy Social Planning and Partnerships > Youth Council attendance at 2 senior Council meetings with shadowing opportunities > Sale of two single bedroom residential units (units 2 and 5) which are part of a five-unit complex at 49 Wellington Street, Wallan, to allow for full participation of the Community Housing sector in establishing the property as long term social and affordable housing.

Strategy 4.4: Work with government and local partners to facilitate improved community wellbeing

2019/20 Actions	Duration	Full Year Target %	% complete	Progress comment
Present the Life Stages Strategy and Year 1 Action Plan to Council for consideration, and implement (as recommended)	Year 3	100	100 	<p>The Life Stages Strategy was adopted in November 2019. The Mitchell Shire Council Life Stages Strategy emphasises the importance of all ages and stages of life and acknowledges the intergenerational setting within which our community sits. The vision of the Mitchell Shire Council Life Stages Strategy is that people are valued, supported, connected and well as they transition through the life stages. This Strategy is aspirational, aiming to nurture Mitchell Shire as a place where locals are proud to live, learn, work and play.</p> <p>The five life stages are:</p> <ul style="list-style-type: none"> > Infants to preschool (0-5 years of age) > Childhood (6-11 years of age) > Young people (12-24 years of age) > Adults (25-64 years of age) > Older people (65+ years of age) <p>The Mitchell Shire Council Life Stages Strategy identifies 21 aspirations that sit below the three focus areas. The focus areas and aspirations form the base of a four-year action plan.</p>

Strategy 4.4: Work with government and local partners to facilitate improved community wellbeing

2019/20 Actions	Duration	Full Year Target %	% complete	Progress comment
<p>Develop partnerships and early delivery of services to create Resilient Communities in growth areas, including the Beveridge North West Partnership (BNWP) and the National Growth Area Alliance</p>	<p>Year 3</p>	<p>100</p>	<p>100 </p>	<p>Mitchell Shire Council is a member of the National Growth Area Alliance (NGAA). Benefits from membership of the NGAA include contributing to the Alliance’s Policy Platform, access to substantive academic research, and partnering on advocacy issues central to growth areas.</p> <p>Mitchell Shire Council continues to foster and maintain the Beveridge North West Partnership, the Partnership presents a unique opportunity to set a benchmark for successful greenfield development, with a particular focus of early and timely delivery of infrastructure and services that supports health, improves resilience and future proofs communities liveability, livelihoods and provides employment opportunities from the time residents move in.</p> <p>DELWP’s 20 Minute Neighbourhood funded a research project, undertaken by RMIT University and coordinated by Resilient Melbourne, to summarise current challenges to greenfield development and identify opportunities to achieve greater walkability in new suburbs, focusing on Beveridge North West as an example.</p> <p>RMIT’s final reports are available under the DELWP Plan Melbourne / 20 min Neighbourhoods ‘research’ tab or can be downloaded directly in two volumes:</p> <ul style="list-style-type: none"> > Beveridge North West – A review of key literature: Precinct Structure planning and 20-minute neighbourhoods in greenfield areas > Beveridge North West – Scenario modelling 20-minute neighbourhoods in greenfield areas

Strategy 4.5: Provide opportunities to build strong and resilient citizens for our current and future generations

2019/20 Actions	Duration	Full Year Target %	% complete	Progress comment
Work with VCE students on training opportunities to open pathways for future employment.	Year 3	20		Due to competing priorities, this project has not commenced.

Strategy 4.6: Provide adaptable community infrastructure and participation opportunities for all ages, cultures and abilities.

2019/20 Actions	Duration	Full Year Target %	% complete	Progress comment
Define infrastructure capacity and improvement opportunities to accommodate funded three-year-old kindergarten	Year 3	100	60  	Kindergarten/community hub sequencing is being undertaken as per the Integrated Community Services and infrastructure Plan (ICSIP) and work with DET/VSBA to allocate appropriate funding for infrastructure improvements. Mitchell Shire is collecting data and undertake planning for service delivery, and infrastructure provision for 3-year old kindergarten, furthermore, taking a holistic network approach to planning for community infrastructure with a focus on community hubs, with the inclusion of kindergarten services.
Undertake Southern Mitchell Aquatic Facility concept planning	Year 3	100	80  	Concept options have been developed and a report will be delivered to Council early in the new financial year.

SERVICE PERFORMANCE INDICATORS

The following statement provides the results of the prescribed Service Performance Indicators and measures in the Local Government Performance Reporting Framework.

Service/indicator/measure	2016/17 Result	2017/2018 Result	2018/19 Result	2019/20 Result	Comments
Animal Management					
Timeliness					
<i>Time taken to action animal management requests</i>	2.28	2.24	1.29	1.59	Whilst requests were still dealt with in improved timeframes, a number of requests exceeded this as we experienced difficulty contacting a number of owners.
[Number of days between receipt and first response action for all animal management requests / Number of animal management requests]					This level of service aligns with expectations and exceeds the all council average of 2.03 days.
Service standard					
<i>Animals reclaimed</i>	53.61%	56.57%	54.05%	59.55%	Reuniting animals with their owners is the priority for our animal management team. Of the 885 animals collected during 2019/20 financial year, 527 were reclaimed and 283 rehomed.
[Number of animals reclaimed / Number of animals collected] x100					
<i>Animals rehomed</i>	-	-	-	31.98%	This is a new indicator for the 2019/20 financial year onwards.
[Number of animals rehomed / Number of animals collected] x100					Sometimes animals can't be returned to their owners for whatever reason, so we make every effort to find them new homes. Of the 885 Animals collected during 2019/20 financial year, 283 were rehomed after 885 were reclaimed by their owners.

Service cost

Service/indicator/measure	2016/17 Result	2017/2018 Result	2018/19 Result	2019/20 Result	Comments
Animal Management					
<i>Cost of animal management service</i>	\$51.30	\$56.05	\$57.40	\$12.49	This indicator has been changed for the 2019/20 financial year onwards. Previously, it was calculated as cost/number of registered animals, now it is cost/municipal population.
[Direct cost of the animal management service / Number of registered animals]					Our Local Laws team ensure that the service they provide is efficient, effective and appropriate, and meets the needs of our community and their animals.
Health and safety					
<i>Percentage of successful animal management prosecutions</i>	14	17	6	100%	This indicator has changed for the 2019/20 financial year onwards. Previously it was calculated as the number of, now it is the percentage of successful animal management prosecutions.
[Number of successful animal management prosecutions / total number of prosecutions]	100.00%	100.00%	100.00%	5	Due to the nature of our processes and investigation procedures, all matters are examined for quality of evidence before preparing for Court resulting in all prosecutions for animal management issues being successful over the past 5 financial years. This then translates to minimal waste of resources and good quality investigations. In 2019/20, our team successfully prosecuted 5 of 5 charges.

Service/indicator/measure	2016/17 Result	2017/18 Result	2018/19 Result	2019/20 Result	Comments
Aquatic Facilities					
Service standard					
<i>Health inspections of aquatic facilities</i>	1	1.6	1.20	1.2	There were 6 health inspections during 2019/20 financial year - annual water quality testing for each aquatic facility, and a Risk/OHS inspection.
[Number of authorised officer inspections of Council aquatic facilities / Number of Council aquatic facilities]					
Service cost					
<i>Cost of aquatic facilities</i>	\$26.25	\$23.01	\$26.56 ¹	\$9.12	From 2020, this indicator replaced two previous indicators: 'Cost of indoor aquatic facilities' and 'Cost of outdoor aquatic facilities'.
[Direct cost of aquatic facilities less income received / Number of visits to aquatic facilities]					
Utilisation					
<i>Utilisation of aquatic facilities</i>	5.81	5.53	3.95	3.85	There were 187,831 visits to aquatic facilities during 2019/20 financial year. Visitation increased in 2019/20 after the low that occurred during 2018/19 financial year which was caused by the closure of the Kilmore Leisure Centre Pool for repair works. This increase is despite the impact of cooler summer months, and Pandemic related closures.
[Number of visits to aquatic facilities / Municipal population]					

¹ Previous years' indoor and outdoor aquatic facilities costs have been combined to match the new method of representing this information

Service/indicator/measure	2016/17 Result	2017/18 Result	2018/19 Result	2019/20 Result	Comments
Food Safety					
Timeliness					
<i>Time taken to action food complaints</i>	1.00	1.00	1.00	1.00	Our Environmental Health Department action all food complaints within a maximum of two working days of receipt of a complaint.
[Number of days between receipt and first response action for all food complaints / Number of food complaints]					
Service standard					
<i>Food safety assessments</i>	100.00%	100.00%	111.25%	105.81%	Mitchell Shire Council has completed all require food assessments for 2019 calendar year.
[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] x100					

Service/indicator/measure	2016/17 Result	2017/18 Result	2018/19 Result	2019/20 Result	Comments
Food Safety					
Service cost					
<i>Cost of food safety service</i>	\$463.69	\$392.16	\$436.19	\$456.11	Start-up costs associated with contracting this service, and managing the back-log of work, impacted our initial cost, which then went down in 2017/18.
[Direct cost of the food safety service / Number of food premises registered or notified in accordance with the Food Act 1984]					Then in 2018/19 an administration resource was added to support the field officers.
					The ongoing cost for service has returned to a level more closely in line with similar councils.
Health and safety					
<i>Critical and major non-compliance outcome notifications</i>	100.00%	100.00%	100.00%	100.00%	Our Public Health Team consistently achieves a result of 100% for all reporting periods.
[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 premise] x100					

Service/indicator/measure	2016/17 Result	2017/18 Result	2018/19 Result	2019/20 Result	Comments
Libraries					
Utilisation					
<i>Library collection usage</i> [Number of library collection item loans / Number of library collection items]	2.57	2.63	2.53	1.90	<p>Mitchell Shire Library Service collection comprises of a broad range of books, audio books, magazines and e-resources. Mitchell Shire Libraries have a total of 55,539 physical items in our collection with 105,253 loans of physical items during the 2019/20 Financial year. Patrons are now demanding increased access of services such as public computers, free Wi-Fi, meeting rooms and multipurpose spaces to be made available for community use within our libraries.</p> <p>The reduction in usage has been contributed to by the current Pandemic crisis. Since mid-March, our libraries have been running either limited or no service depending on the requirements of the Chief Health Officer. We have expanded our home delivery service as a consequence and are looking at ways to further improve on this service in the new financial year.</p>
Resource standard					
<i>Standard of library collection</i> [Number of library collection items purchased in the last 5 years / Number of library collection items] x100	53.77%	56.09%	60.91%	55.89%	<p>Mitchell Shire Libraries continue to commit to a modern and relevant library collection which reflects our communities' expectations to access current and high-quality material and resources. With the available budget, robust outsourcing of a shelf-ready items and obtaining the most competitive pricing for the purchasing of resources, we have been successful in sustaining the standard of the collection at an acceptable level.</p> <p>Our 2019/20 financial year result reflects a subset of the entire library collection and is focussed on print material (books, magazines, serials, maps, plans, manuscripts) and physical audio visual or digital materials (CDs, DVDs) and toys and games on hand that can be reserved or borrowed. This now excludes non-physical items such as music streaming services or eBooks and other such digital services.</p>

Service/indicator/measure	2016/17 Result	2017/18 Result	2018/19 Result	2019/20 Result	Comments
Libraries					
Service cost					
<i>Cost of library service</i>	-	-	-	\$20.73	<p>This indicator has changed for the 2019/20 financial year. Previously, it was calculated as costs per number of visits to the library, now it is calculated as cost per head of municipal population.</p> <p>When previous years' data is calculated the same way, the results were \$24.24 (2016/17), \$23.02 (2017/18), \$21.70 (2018/19) and now \$20.73 in the 2019/20 financial year. This reflects the ongoing commitment to deliver library services that are efficient, effective and provide value for money.</p> <p>Mitchell Shire has provided four static libraries and one micro-library in the main town centres of Wallan, Kilmore, Broadford, Seymour and Beveridge during 2019/20. Our libraries had 130,411 visitors and 105,253 physical library collection item loans during the reporting period.</p>
[Direct cost of the library service / Municipal population]					
Participation					
<i>Active library borrowers</i>	11.80%	12.16%	11.00%	9.65%	<p>The Mitchell Shire Library Service had 4,445 active library borrowers (and renew) from the library collection during 2019/20 financial year.</p> <p>The traditional role of libraries in our community is changing at a rapid rate. The typical lending-culture at our libraries is now experiencing higher levels of library visitation but with decreased borrowing. This highlights that the library service is still being used, but the way in which it is being used is changing rapidly.</p> <p>The number of active library borrowers is not a full reflection of community participation with our library service. Our library and outreach programs are our strategic focus to ensure we remain relevant to the needs of our culturally expanding community. Mitchell Libraries continues to offer increased internal and outreach library programs to the community.</p>
[Number of active library borrowers / Municipal population] x100					

Service/indicator/measure	2016/17 Result	2017/18 Result	2018/19 Result	2019/20 Result	Comments
Libraries					The reduction in borrowing has been contributed to by the current Pandemic crisis. Since mid-March, our libraries have been running either limited or no service depending on the requirements of the Chief Health Officer. We have expanded our home delivery service as a consequence and are looking at ways to further improve on this service in the new financial year.

Service/indicator/measure	2016/17 Result	2017/18 Result	2018/19 Result	2019/20 Result	Comments
Maternal and Child Health (MCH)					
Satisfaction					
<i>Participation in 4-week Key Age and Stage visit</i>	100.56%	98.25%	100.33%	100.68%	This indicator has changed from 2019/20 financial year onward. Participation rates for the 4-week Key Age and Stage assessments include those that have transferred into Mitchell Shire, producing a result greater than 100%
[Number of 4-week KAS / Number of birth notifications received] x100					
Service standard					
<i>Infant enrolments in the MCH service</i>	101.13%	101.75%	101.49%	100.68%	For the 2019/20 financial year there were 590 birth notifications received by Council, and including transfers into our municipality, a total of 594 infants were enrolled. 608 home visits were conducted, and 1,915 children attended the MCH service at least once in the reporting period. It should be acknowledged that participation in the MCH Service is not compulsory and some families may seek physical and developmental assessments from other services, including GPs and allied health.
[Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received] x100					
Service cost					
<i>Cost of the MCH service</i>	\$81.86	\$70.49	\$78.99	\$79.64	In the 2019/20 financial year, the total number hours worked was 18,945 which equates to a cost per hour of service of \$79.64. We provide a lean and efficient service while meeting the nurse/child ratios of 1:130 as agreed to in the Enterprise Agreement.
[Cost of the MCH service / Hours worked by MCH nurses]					

Service/indicator/measure	2016/17 Result	2017/18 Result	2018/19 Result	2019/20 Result	Comments
Maternal and Child Health (MCH)					
Participation					
<i>Participation in the MCH service</i>	76.44%	77.29%	76.48%	77.02%	Participation in the MCH service is not compulsory and some families choose to attend other services for their health and developmental assessments, or they may also choose not to have their children assessed as they have no concerns around their children's health and development.
[Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100					Mitchell MCH continues to achieve high participation rates with our community.
Participation					
<i>Participation in the MCH service by Aboriginal children</i>	74.80%	89.02%	82.33%	85.71%	There are 18 months between 2yr and 3.5yr KAS assessment, and some Aboriginal children will not need to engage with the MCH Service at this time. Some children are in Out of Home Care or have moved out of the region, however their client file remains with Mitchell until they engage with another Local Government MCH Service.
[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					Mitchell MCH continues to achieve high participation rates with our community.



SUPPORTING LOCAL JOBS AND QUALITY INVESTMENT



Great Victorian Rail Trail, Tallarook

STRATEGIC OBJECTIVE 5: SUPPORTING LOCAL JOBS AND QUALITY INVESTMENT

To identify, encourage and actively promote investment, business and tourism.

To achieve our objective, we will:

- > Facilitate a high level of civic pride in the presentation of public and private land in our towns and communities.
- > Foster economic growth through supporting new and existing businesses, industry, public sector investment, and events.
- > Provide support for existing businesses to connect and access opportunities to improve and grow their businesses.
- > Encourage local networks which support economic growth.
- > Support the development and enhancement of local tourist attractions.
- > Promote our region and towns as a destination for tourists and visitors.

CONTEXT

Mitchell Shire is strategically located to take advantage of Victoria's growing economy. It has a sound and sustainable local business base and great economic potential and opportunities for further growth and prosperity.

Mitchell Shire supports more than 10,000 local jobs and has an estimated Gross Regional Product (GRP) of \$1.4B and total economic output of \$3.28B. With the inclusion of Beveridge and Wallan within Melbourne's urban growth boundary and anticipated growth across the rest of the Shire, our population will continue to grow strongly. This growth underscores the importance of and opportunity for creating jobs and attracting quality investment.

Council will work collaboratively with business, government and other organisations to create better conditions for job creation and business growth now and into the future. Our aim is to balance housing and job growth, diversify our local economy, advocate to government and create the conditions where economic growth can occur.

SERVICES FUNDED

The following statement provides information in relation to the services funded in the 2019/20 Budget and the people or sections of the community that the services are provided for.

These services are provided for the whole community with a focus on supporting local businesses and tourism.

SERVICE	DESCRIPTION
ECONOMIC DEVELOPMENT AND TOURISM	This service is responsible for assisting Economic Development by supporting local businesses and tourism operators as well as regional tourism and marketing. The service also coordinates tourism and business support events and operates the Seymour Visitor Information Centre.

COUNCIL PLAN – ANNUAL ACTION PLAN

The following is a review of the progress of the Council Plan 2017 - 2021 Annual Action Plan 2019/20.

Strategy 5.1: Facilitate a high level of civic pride in the presentation of public and private land in our towns and communities

2019/20 Actions	Duration	Full Year Target %	% complete	Progress comment
Commence the Seymour Revitalisation and Kilmore Business District Projects	Year 3	100	75  	<p>Unfortunately, due to the Pandemic Crisis, State Government budget announcements related to Seymour Revitalisation have been delayed until later in the year. The Business Case to support a request for Government funding has been prepared and submitted.</p> <p>However, work continued apace on the Kilmore Rejuvenation business district project. Planning work commenced for the successfully secured \$2.58 million project, funding for which was won in Q3 2019/20. Council also successfully secured \$500,000 funding from the State Government's Regional Jobs and Investment Fund for Kilmore Rejuvenation - Sydney Street Public Realm Upgrades (Stage 2A).</p> <p>Council officers are now actively and rapidly progressing, in tandem, both projects to deliver significant public realm upgrades to Sydney Street between Bourke Street and Clarke Street.</p>

Strategy 5.2: Foster economic growth through supporting new and existing businesses, industry, public sector investment and events

2019/20 Actions	Duration	Full Year Target %	% complete	Progress comment
Develop an Investment Attraction Strategy and Prospectus	Year 3	100	60  	<p>Work to further develop sector-specific investment attraction prospectus materials was delayed due to the pressing need to support Council's Pandemic response.</p> <p>However, investment attraction discussions with several businesses are continuing to progress. Additionally, during Q4 the Economic Development Team also facilitated a State Government sponsored four-week intensive, cross-Council 'Better Approvals' program - to review and identify opportunities to streamline and enhance the permit application process for businesses in the Shire. Key outcomes of this will be a smoother permit application process for businesses, including introduction of a new Business Concierge service in 2020/21. This will be a significant step for Council in supporting and encouraging business investment.</p> <p>Work on the sector specific investment attraction and prospectus materials will recommence in the new financial year.</p>

Strategy 5.3: Provide support for existing businesses to connect and access opportunities to improve and grow their businesses

2019/20 Actions	Duration	Full Year Target %	% complete	Progress comment
Business as usual	n/a	n/a		Commenced planning for a series of B2B networking events; and connected selected businesses to one another through meetings.

Strategy 5.4: Encourage local networks which support economic growth

2019/20 Actions	Duration	Full Year Target %	% complete	Progress comment
Explore opportunities to allow better information sharing between businesses	Year 3	100	100 	The Economic Development officers have identified several different methods for business to business information sharing. However, further investigation had to be placed on hold during Q4 2019/20 while officers focused on regularly collating and communicating constantly evolving Pandemic-related information, concerning guidelines and restrictions affecting businesses, to all local businesses in our database through a regular e-newsletter 'Economic Development Update'. Improvements will continue throughout 2020/21.

Strategy 5.5: Support the development and enhancement of local tourist attractions

2019/20 Actions	Duration	Full Year Target %	% complete	Progress comment
Present the Tourism and Visitor Economy Plan to Council for consideration, and implement (as recommended)	Year 3	100	85  	Progress on this project has been affected by the current Pandemic restrictions. Progress continued, but slower than intended due to the need for the Economic Development Unit to focus on Pandemic related support to businesses and tourism. As of end June 2020, the Economic Development Unit is preparing to present the Tourism and Visitor Economy Plan to Council for consideration in August 2020.
Identify potential projects and examine feasibility for connectivity and recreation along the Goulburn River	Year 3	n/a		This project is dependent on the Seymour Revitalisation Project and levee consultation outcomes. As the Levee Project has been cancelled, work will now focus on the Seymour Revitalisation Project in 2020/21.
Plan for opportunities to integrate walking trails within the Seymour Levee project	Year 3	n/a		This project will be reassessed in light of the decision not to proceed with the Seymour Levee Project.

Strategy 5.6: Promote our region and towns as a destination for tourists and visitors

2019/20 Actions	Duration	Full Year Target %	% complete	Progress comment
Secure commitments from State Government for Seymour's Revitalisation	Year 3	100	90 	The impact of the current Pandemic situation is not yet known in terms of funding investment; the delivery of the Victorian State Government 2020 Budget has been delayed from May 2020 until later in the year. Council officers have played an integral role in the development of the Seymour Revitalisation Plan which now sits with the State Government for review and consideration.
Actively engage with the State Government Regional Tourism Review, advocating for outcomes that most strongly support high quality growth and investment in the tourism and visitor economy of Mitchell Shire	Year 3	100	100 	The Team proactively engaged throughout with the Regional Tourism Review. The findings of the review conducted by State Government have been delayed due to the current Pandemic situation and it's impacts on regional tourism. However, the Economic Development Team has continued to liaise with State Government, including those responsible for the Regional Tourism Review and within Visit Victoria, to keep abreast of latest developments.



FINANCIAL AND ORGANISATIONAL MANAGEMENT



Map of Mitchell Shire, Council Civic Centre, Broadford

STRATEGIC OBJECTIVE 6: FINANCIAL AND ORGANISATIONAL MANAGEMENT

To be leaders in financial and organisational management.

To achieve our objective, we will:

- > Ensure Councillors and Council staff work together to deliver the best for the community.
- > Deliver high quality projects that benefit our community.
- > Ensure a customer-first approach for responsive service delivery and communication.
- > Develop and adopt policies and procedures that reflect responsible, transparent and accountable management of Council finances.
- > Ensure appropriate and prioritised budgeting which meets the needs of our present and future communities.
- > Support and retain high quality Council staff.
- > Ensure a strong ethical culture that is intolerant of any form of corruption.
- > Use technology to support and enhance communications and service delivery.

CONTEXT

Our financial and organisational management focus supports the organisation to provide high quality frontline services and information to the community, to recruit and retain staff and to ensure that the organisation's structures, activities and operations are conducted with probity, transparency and accountability.

It is important that the organisation embraces digital technology and demonstrates leadership by continuously improving the way we deliver our services, provide information to the community and ensure sound and sustainable financial and organisational management.

SERVICES FUNDED

The following statement provides information in relation to the services funded in the 2019/20 Budget and the people or sections of the community that the services are provided for.

The services are provided across the organisation, to Councillors and to the wider community.

SERVICE	DESCRIPTION
COUNCILLORS AND CHIEF EXECUTIVE OFFICER SUPPORT	This service includes the Mayor, Councillors, and the Chief Executive Officer and associated support which cannot be otherwise attributed to the direct service provision areas.
FINANCE	This service is responsible for financial services such as financial accounting, management accounting, and accounts payable services. The costs include corporate expenses such as interest on borrowings, bad debt write off, and the payment of State Government fire services levy charged on Council properties.
GOVERNANCE AND CORPORATE ACCOUNTABILITY	This service ensures that we meet our legislative responsibilities by providing an ethical basis for good governance which facilitates informed and transparent decision making.
INFORMATION SERVICES	This service is responsible for the management, maintenance and disposal of all corporate information according to government legislation, Council strategy, policy, established procedures, and business rules.
INFORMATION SYSTEMS	This service delivers appropriate and cost-effective technology, which supports Mitchell Shire Council and its employees in delivering services to the community.
PEOPLE AND CULTURE	This service is responsible for human resources, learning and development, employee relations, human resource services and payroll.
RATES REVENUE	This service is responsible for the rates revenue for the Council and manages the valuation contract, rating system, rates enquiries, and the fire services levy.
RISK, INSURANCE, AND OCCUPATIONAL HEALTH AND SAFETY	This service ensures a safe workplace and good risk management processes; and to provide services with a fair and consistent application of legislation and processes to ensure that employees and community enjoy a safe and sustainable environment.

COUNCIL PLAN – ANNUAL ACTION PLAN

The following is a review of the progress of the Council Plan 2017 - 2021 Annual Action Plan 2019/20.

Strategy 6.1: Ensure Councillors and Council staff work together to deliver the best for the community

2019/20 Actions	Duration	Full Year Target %	% complete	Progress comment
Measure Councillor satisfaction with levels of support	Year 3	100	100 	Survey has been completed.
Develop a program to help inform candidates on the role and responsibilities of Council, in anticipation of the next Council election	Year 3	100	90 	Victorian Local Government Authority (VLGA) session for candidates has been booked in for 18 July 2020. Future planning for other candidate session will commence in the 1st quarter of 2020. MAV Session has been cancelled, and we are waiting on decision from the Minister for Local Government as to whether the elections will go ahead as a result of the current Pandemic situation.

Strategy 6.2: Deliver high quality projects that benefit our community

2019/20 Actions	Duration	Full Year Target %	% complete	Progress comment
Expand the Project Management Framework (PMF) to encompass non-capital projects	Multi-year	75	50  	The 2020 Certificate IV in Project Management course has been deferred. Reviewing and expanding on the PMF has been included in the 2020/21 Action Plan.

Strategy 6.3: Ensure a customer-first approach for responsive service delivery and communication.

2019/20 Actions	Duration	Full Year Target %	% complete	Progress comment
Evaluate the Customer Service Charter	Year 3	100	50  	Further evaluation is required however, this project is temporarily on hold due to Pandemic restrictions, additional work and related support being provided.
Implement phase 2 of the complaints handling process	Year 3	100	50  	Further evaluation is required however, this project is temporarily on hold due to Pandemic restrictions, additional work and related support being provided. Further work will be undertaken in the new financial year including implementation of CRM system.

Strategy 6.4: Develop and adopt policies and procedures that reflect responsible, transparent and accountable management of Council finances and risks.

2019/20 Actions	Duration	Full Year Target %	% complete	Progress comment
Implement the Good Governance Framework recommendations	Year 3	100	100 	The second annual review has been completed and reported on to the Audit and Risk Committee. Council will embed annual reviews of our compliance with the framework into our business as usual

Strategy 6.5: Ensure appropriate and prioritised budgeting which meets the needs of our present and future communities.

2019/20 Actions	Duration	Full Year Target %	% complete	Progress comment
Implement Service Planning for the organisation	Year 3	100	100 	Year 1 of the program has been successfully implemented. Pandemic restrictions and impacts on resources and workload have caused the report to Council to be delayed.

Strategy 6.6: Support and retain high quality Council staff.

2019/20 Actions	Duration	Full Year Target %	% complete	Progress comment
Develop succession/workforce plans	Year 3	100	40  	Further work on succession/workforce plans have been incorporated in to 2020/21 planning in accordance with new <i>Local Government Act 2020</i> requirements.
Expand the library of staff online learning	Year 3	100	100 	Corporate training promoted to all staff. It has been adjusted to accommodate remote learning due to Pandemic crisis, and there has been a specific focus on staff wellbeing and resilience.
Undertake the culture survey	Year 3	100	100 	Pulse Survey has been completed.

Strategy 6.6: Support and retain high quality Council staff.

2019/20 Actions	Duration	Full Year Target %	% complete	Progress comment
Commence Enterprise Bargaining Agreement (EBA) Negotiations	Year 3	100	50  	EA negotiations put on hold due to Pandemic crisis. Further negotiation required to determine future strategy (i.e. rollover, put on hold, progress etc).

Strategy 6.7: Monitor, scrutinise and regularly report on the operation of Mitchell Shire Council.

2019/20 Actions	Duration	Full Year Target %	% complete	Progress comment
Business as usual	n/a	n/a		Council prepares quarterly financial reports, budget consultation, Annual Report and the Local Government Performance Reporting Framework,

Strategy 6.8: Use technology to support and enhance communications and service delivery.

2019/20 Actions	Duration	Full Year Target %	% complete	Progress comment
Review the Information Technology (IT) Strategy	Year 3	100	90 	Review of the Strategy is currently underway, including interviews with relevant departments to confirm status of 49 initiatives. 90% of initiative status responses received by email. Report on progress is being undertaken.

Strategy 6.8: Use technology to support and enhance communications and service delivery.

2019/20 Actions	Duration	Full Year Target %	% complete	Progress comment
Progress OneTouch Payroll (supporting new reports to the Australian Tax Office - processes and training)	Year 3	100	100 	One Touch Payroll reject has been completed. All Payment Summaries available directly to ATO and available to staff via MyGov.
Continue to implement the oMail project (inward correspondence scanning)	Year 3	100	100 	The digitisation of all new animal registration applications has been completed, which was previously archived manually and without a digital component. Following the implementation of the physical mail automation processes, officers have finished designing, and are currently implementing, the automation of electronic correspondence received through the mitchell@mitchellshire.vic.gov.au inbox. Pilot is due to commence shortly, with the Rates and Local Laws teams' documents.
Continue to implement the AvePoint project (record management)	Year 3	100	80  	Project has progressed with Information Architecture being developed. No delivery date determined yet, as further resourcing required.
Establish a process to incorporate the Council report risks into the Risk Register	Year 3	100	25  	This project has stalled due to competing priorities and pandemic support requirements.
Upgrade the intranet	Multi-year	30	30 	Internal working group has been established and consultation commenced. This project has been impacted by Pandemic resourcing realignment, and the implementation of the Better Approvals Project.

SERVICE PERFORMANCE INDICATORS

The following statement provides the results of the prescribed Service Performance Indicators and measures in the Local Government Performance Reporting Framework.

Service/indicator/measure	2016/17 Result	2017/18 Result	2018/209 Result	2019/20 Result	Comments
Governance					
Transparency					
<i>Council decisions made at meetings closed to the public</i>	16.20%	17.01%	18.70%	22.52%	There were marginally more council resolutions this year made at meetings closed to the public, these resolutions typically related to tenders.
[Number of Council resolutions made at ordinary or special meetings of Council, or at meetings of a special committee consisting only of Councillors, closed to the public / Number of Council resolutions made at ordinary or special meetings of Council or at meetings of a special committee consisting only of Councillors] x100					
Consultation and engagement					
<i>Satisfaction with community consultation and engagement</i>	47	53	53	52	This result, while slightly lower than in previous years. Council continues to work hard to engage with community, improve our services, obtain significant grant funding and provide great visibility to the community of new and improved infrastructure.
Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement					

Service/indicator/measure	2016/17 Result	2017/18 Result	2018/209 Result	2019/20 Result	Comments
Attendance					
<i>Councillor attendance at Council meetings</i>	97.78%	97.62%	88.19%	88.24%	As an organisation, we were able to flex with Pandemic requirements as they were being announced, and as a result of being able to livestream council meetings, we have been able to maintain a very high level of Councillor attendance.
[The sum of the number of Councillors who attended each ordinary and special Council meeting / (Number of ordinary and special Council meetings) × (Number of Councillors elected at the last Council general election)] x100					
Service cost					
<i>Cost of governance</i>	\$40,696.94	\$40,586.39	\$40,805.66	\$40,879.72	These costs are per Councillor and are consistent with costs of Councillor allowances, training, attendance at conferences and seminars, IT equipment and other incidentals.
[Direct cost of the governance service / Number of Councillors elected at the last Council general election]					
Satisfaction					
<i>Satisfaction with Council decisions</i>	46	50	52	49	This result is slightly lower than in previous years. Council continues to engage with community, improve our services, obtain significant grant funding and provide great visibility to the community of new and improved infrastructure.
[Community satisfaction rating out of 100 with how Council has performed in making decisions in the interest of the community]					



CARING FOR OUR ENVIRONMENT



Clean Up Australia Day, Kilmore

STRATEGIC OBJECTIVE 7: CARING FOR THE ENVIRONMENT

To be responsible custodians, by managing and enhancing our environment, minimising the impacts of development, waste, natural disasters and climate change.

To achieve our objective, we will:

- > Protect and enhance Mitchell Shire's rural landscape and natural assets.
- > Empower the community through partnerships and education.
- > Be prepared and proactive in responding to the effects of climate change on the community.
- > Investigate and initiate innovative practices in key aspects of environmental management.
- > Provide opportunities for the community to experience nature in their everyday lives.
- > Improve compliance with fire hazard removal, weed management and appropriate waste disposal.

CONTEXT

Council plays an important role in environmental management through our controls over strategic land use planning, environmental health and in our role as a public land manager. We recognise that the environment underpins prosperity and we recognise the importance of working in partnership with environmental and land management organisations and responsible landholders.

There is a need to ensure that the rural landscape, natural assets and biodiversity are adequately protected, while planning for managed growth in our Shire.

There are significant challenges in planning for sustainable waste and resource recovery services, ensuring the rural landscape is protected.

Council seeks to increase the level of community participation and education in the management of the natural environment and empower residents to prepare for the impacts of climate change. It is committed to integrating innovative and sustainable practices into our operations to reduce energy and water usage and costs.

With an environment that is increasingly subject to climatic extremes, Council will work with communities and agencies to reduce the impacts of climate change, prepare for, and respond to, natural disasters and emergency events such as fire and flood.

SERVICES FUNDED

The following statement provides information in relation to the services funded in the 2019/20 Budget and the people or sections of the community that the services are provided for.

These services are provided for the whole community as well as commercial operators and people from outside the municipality who access Council's landfill.

SERVICE	DESCRIPTION
ENVIRONMENTAL SUSTAINABILITY	This service is responsible for conservation and achieving an environmentally healthy and sustainable Council including environmental planning, community planting and encouraging sustainable resource management.
FIRE PREVENTION AND EMERGENCY MANAGEMENT	This service is responsible for fire prevention activities and community education as well as emergency management planning, including the Municipal Emergency Management Plan.
WASTE MANAGEMENT	This service is responsible for the provision of waste management services at Seymour Landfill plus four resource recovery centres. This service also manages the kerbside waste collection service.

COUNCIL PLAN – ANNUAL ACTION PLAN

The following is a review of the progress of the Council Plan 2017 - 2021 Annual Action Plan 2019/20.

Strategy 7.1: Protect and enhance Mitchell Shire's rural landscape and natural assets.

2019/20 Actions	Duration	Full Year Target %	% complete	Progress comment
Develop a Street Tree policy	Year 3	100	80  	While benchmarking and research has been completed, the current Pandemic situation has directly impacted being able to present findings to the Councillors. It is anticipated that this will be able to be achieved early in the new financial year.
Progress the Pound (cat) refurbishment and implement related new services	Year 3	100	100 	The cat pound refurbishment has been completed and is now Code compliant
Initiate a New Pound feasibility study	Year 3	100	n/a	This body of work has now been deferred after an audit of the facility and the determination that in its current state it will be redundant in 5 years. Investigation is considering relocating the pound in the future.

Strategy 7.2: Empower the community through partnerships and education.

2019/20 Actions	Duration	Full Year Target %	% complete	Progress comment
Business as usual	n/a	n/a		This now forms part of our business as usual with ongoing participation in activities such as National Tree Day, Clean Up Australia Day, Kilmore and Seymour Shows, Seymour Alternative Farming Expo.

Strategy 7.3: Investigate and initiate practices in key aspects of environmental management.

2019/20 Actions	Duration	Full Year Target %	% complete	Progress comment
Implement the Cat Curfew and increase education around responsible cat ownership	Year 3	100	100 	After community consultation, the cat curfew was adopted by Council July 2019 and was fully implemented on 16 October 2019.
Plan for future Resource Recovery Centre (RRC) services for Kilmore and Broadford	Year 3	100	90 	Work has been undertaken on the feasibility and site assessment to address future resource recovery needs for the Kilmore and Broadford communities. Final report to be presented to Council in August 2020
Develop a Southern Region Waste Resource Recovery Education Strategy for Mitchell, Strathbogie and Murrindindi	Year 3	100	100 	Council endorsed the Southern Region Waste Resource Recovery Education Strategy for Mitchell, Strathbogie and Murrindindi at the September 2019 Ordinary Council meeting.

Strategy 7.4: Be prepared and proactive in responding to the effects of climate change on the community.

2019/20 Actions	Duration	Full Year Target %	% complete	Progress comment
Develop and Environmental Sustainability Policy addressing a range of subjects/issues including: climate change adaptation/mitigation/resilience built environment and environmentally sustainable design (ESD) biodiversity management energy consumption and greenhouse gas emissions reductions water sensitive management waste management urban ecology	Year 3	100	100 	The inaugural Mitchell Shire Council Environment Policy was adopted by Council at the May 2020 Council meeting. The purpose of the Policy is to guide Council's decision making processes and embed environmental considerations across the organisation. The Policy vision is underpinned by six strategic aims to assist in guiding Council's activities planning and business decisions which support best practice environmental management now diverse and rapidly growing community, these are; <ul style="list-style-type: none"> • Energy • Climate Change • Land and Biodiversity • Water • Urban Ecology Resource Use and Waste Management

Strategy 7.5: Provide opportunities for the community to experience nature in their everyday lives.

2019/20 Actions	Duration	Full Year Target %	% complete	Progress comment
Develop a feasibility study into establishing a Southern Regional Park based on the Old Herne's Swamp, and accompanying advocacy material	Year 3	100	100 	Council continues to support DELWP 's feasibility study for the Wallan Regional Park. The feasibility study will conduct a corridor-wide assessment of open space within the North Growth Corridor, inform the location, opportunities and challenges for creating a regional park in Wallan., inform potential linkages with the proposed Upper Merri Creek Parkland and proposed landscape in the precinct structure plans. A concurrent study by Melbourne Water of the Wallan area will provide catchment related guidance. This is now being led and funded by DELWP with council being the major stakeholder in the process.

Strategy 7.6: Improve compliance with fire hazard removal, weed management and appropriate waste.

2019/20 Actions	Duration	Full Year Target %	% complete	Progress comment
Campaign to reduce illegal dumping (media, monitoring, enforcement)	Year 3	100	100 	Campaign partnership and collaboration has been built between the Local Laws and Waste teams. Community consultation took place, media releases and information on how to "dob in a dumper" promoted across social media.
Design and construct the new Seymour Resource Recovery Centre (RRC) at Hilldene	Multi-year	50	30  	A Planning Permit has been granted and a detailed design tender has been released. It is anticipated that submissions will be evaluated in July 2020, and design work will commence early in the new financial year.
Upgrade the Wallan Resource Recovery Centre	Multi-year	50	30  	A Report has been prepared and will be presented to Council in August 2020 following a workshop with Councillors in late July 2020. No upgrades will be implemented until endorsed by Council.

SERVICE PERFORMANCE INDICATORS

The following statement provides the results of the prescribed Service Performance Indicators and measures in the Local Government Performance Reporting Framework.

Service/indicator/measure	2016/17 Result	2017/18 Result	2018/209 Result	2019/20 Result	Comments
Waste Collection					
Satisfaction					
<i>Kerbside bin collection requests</i>	162.35	71.16	50.33	55.67	<p>The Waste and Resource Recovery Department changed the way that that it manages kerbside collection service requests. Previously, residents contacted Cleanaway directly to report their request, and now all requests are now lodged with Council instead. Requests are entered into Council's Customer Request Management System (CRMS) and then forwarded to Cleanaway for action.</p> <p>In addition to this a full-time Waste and Resource Recovery Administration officer position was created to oversee the daily management of the CRMS. This has significantly improved Council's ability to manage waste related requests resulting in improved processes and a reduction of the number of service requests.</p>
[Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households] x1000					
Service standard					
<i>Kerbside collection bins missed</i>	2.65	7.59	5.45	3.95	<p>The Waste and Resource Recovery Department changed the way that that it manages kerbside collection service requests. Previously, residents contacted Cleanaway directly to report their request, and now all requests are now lodged with Council instead. Requests are entered into Council's Customer Request Management System (CRMS) and then forwarded to Cleanaway for action.</p> <p>In addition to this a full-time Waste and Resource Recovery Administration officer position was created to oversee the daily management of the CRMS. This has significantly improved Council's ability to manage waste related requests resulting in improved processes and a reduction of the number of service requests.</p>
[Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts] x10,000					

<i>Service/indicator/measure</i>	<i>2016/17 Result</i>	<i>2017/18 Result</i>	<i>2018/209 Result</i>	<i>2019/20 Result</i>	<i>Comments</i>
<i>Service cost</i>					
<i>Cost of kerbside garbage bin collection service</i>	\$57.70	\$58.72	\$59.94	\$82.77	The cost of the kerbside garbage bin collection service has increased due to the inclusion of landfill levy fees and officer time for the delivery of this service. These figures have not been included in the cost calculation in previous years.
[Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]					
<i>Service cost</i>					
<i>Cost of kerbside recyclables collection service</i>	\$45.56	\$41.86	\$49.83	\$58.90	The cost of the kerbside recyclables collection service has increased due to the significant changes in the recycling sector which has resulted in a considerable increase to the recycling acceptance and sorting gate fee.
[Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins]					
<i>Waste diversion</i>					
<i>Kerbside collection waste diverted from landfill</i>	33.05%	32.88%	32.75%	31.46%	Our result for 2019/20 financial year has decreased slightly from the previous year. Mitchell Shire Council does not currently have a kerbside green organics collection. The shift is in the proportion of recyclables collected.
[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100					



CORPORATE GOVERNANCE



LOCAL GOVERNMENT ACT 2020

The Local Government Act 1989 and regulations prescribed many details about how councils could, amongst other things:

- make decisions
- conduct public consultation processes
- provide notices of meetings
- run meetings
- make information available to the public

Over time it became apparent this level of prescription was unnecessary for modern councils. The *Local Government Act 2020* (ratified March 2020) is a principles-based Act, removing unnecessary regulatory and legislative prescription.

The 5 principles below have guided the development of the *Local Government Act 2020*.

COMMUNITY ENGAGEMENT

This principle aims to ensure all Victorians have the opportunity to engage with their council on the future of their community. At a minimum, all councils must adopt and maintain a community engagement policy which must be used in the development of:

- > planning and financial management
- > community vision
- > council plan
- > financial plan

STRATEGIC PLANNING

The *Local Government Act 2020* requires councils to develop an integrated, longer-term and transparent approach to planning that supports councillors in leading strategically, rather than focusing on operational issues.

The strategic planning principle works together with the community engagement principle to ensure that communities are involved in strategic planning and decision making.

FINANCIAL MANAGEMENT

A significant percentage of a council's revenue comes from rates, and the community has expectations that these rates will be used to deliver an array of services and infrastructure. It is vital that councils undertake responsible spending and investment that ensures financial, social and environmental sustainability.

The new *Local Government Act 2020* is also intended to create a legislative environment that embraces innovation, modern business practices and microeconomic reform.

PUBLIC TRANSPARENCY

Openness, accountability and honesty are essential to build high levels of accountability and trust amongst citizens and enable fully informed engagement in the democratic process.

Councils will be required to adopt and maintain a public transparency policy, which must be in line with underpinning principles in the Act.

SERVICE PERFORMANCE

This principle ensure that councils deliver services to the community that are equitable, accessible, good value and meet the needs of their diverse communities.

IMPLEMENTATION

A phased approach to implementation is occurring, and as a result, difference sections of this Report will refer to one or both iterations of the Local Government Act.

The first phase includes:

- > Governance rules
- > Expenses policy
- > Delegated Committees
- > Asset Committees
- > Audit & Risk Committee
- > Public Transparency

GOVERNANCE

Mitchell Shire Council is constituted under the *Local Government Act 2020* to provide good governance for the Mitchell Shire for the benefit and wellbeing of the local community. Council has several roles including:

- > Making council decision and taking actions in accordance with relevant law
- > Giving priority to achieving the best outcomes for the community, including future generations
- > Ensuring the economic, social and environmental sustainability of the municipality including mitigation and planning for climate change risks
- > Pursuing innovation and continuous improvement
- > Collaborating with other Councils and Government and statutory bodies
- > Engaging the community in strategic planning and strategic decisions making, considering regional, state and national plans
- > Ensuring the ongoing financial stability of the Council
- > Ensuring transparency of Council decisions, actions and information; strategic management, financial management and service performance
- > Supporting the principles of community engagement, public transparency

Community input is sought on a range of matters in accordance with Council's Engagement Framework and through Advisory Committees.

Council's formal decision-making processes are conducted through Council meetings and Committees of Council. Council staff also have delegated authority for some decision-making. These delegations are exercised in accordance with adopted Council policies.

COUNCIL MEETINGS

Council decisions are made at scheduled meetings of Council. Meetings are open to the public unless Council resolves to close the meeting to consider confidential matters. Meetings are usually held on the third Monday of each month. There were no scheduled meetings in January. Council can also hold additional Council Meetings as needed.

Council also has a Community Questions and Hearings Committee which meets to hear and report to Council on submissions received under the *Local Government Act 1989* and on objections and submissions received in relation to planning permit applications and strategic planning matters under the *Planning and Environment Act 1987*.

The delegation to the Community Questions and Hearings Committee also provides the opportunity for members of the public to ask questions on issues in which Council has a direct interest or responsibility, and for community organisations to present on matters of interest.

Ordinary Council and Community Questions and Hearings Committee meetings are conducted in accordance with *Local Law No. 1 – Meeting Procedure 2014*. Reports are prepared independently by officers for both the decision and information of the Council.

Disclosure of interest provisions require a Councillor to disclose any conflicts of interest they have in matters being considered at Council meetings. These provisions also apply to meetings closed to the public. Conflict of interest disclosures are recorded in the meeting minutes.

Meeting attendance

There were 11 Council meetings, 6 Special Council meetings, 11 Community Questions and Hearings Committee meetings and 2 Special Community Questions and Hearings Committee meeting for the period in July 2019 – June 2020.

Councillor	Council Meeting	Special Council Meeting	Community Questions and Hearings Committee	Special Community Questions and Hearings Committee	Total
Cr David Atkinson	11	6	11	2	30
Cr Bill Chisholm	8	5	11	2	26
Cr Bob Cornish	7	6	7	1	21
Cr Rob Eldridge	8	6	7	2	23
Cr Bob Humm	10	6	11	2	29
Cr Annie Goble	9	5	7	2	24
Cr David Lowe	11	6	11	2	30
Cr Rhonda Sanderson	11	5	11	2	29
Cr Fiona Stevens	11	6	11	1	29

Notes: Councillor David Lowe was elected Mayor in November 2019.

COUNCILLOR CODE OF CONDUCT

The *Local Government Act 2020* requires every council to adopt a Councillor Code of Conduct. Mitchell Shire Council adopted a revised Councillor Code of Conduct at a Special Council Meeting on 6 February 2017. The Code applies the principles of good governance and accountability and sets agreed standards of behaviour.

CONFLICT OF INTEREST

A conflict of interest occurs when a personal or private interest might compromise the ability to act in the public interest. A conflict of interest exists even if no improper act results from it.

Council has procedures to accommodate disclosure and declarations of a conflict of interest are a standard agenda item for all Council and Committee meetings. If a person has a conflict of interest, they disclose it and, if necessary, step aside from the decision-making process relating to that matter. A register of declared interests is maintained and the following table provides a summary of the conflict of interest disclosures made by Councillors during 2019/20.

Conflict of Interest	Council Meetings	Community Questions and Hearings Committee
Direct Interest	0	0
Indirect Interest	2	2
Total	2	2

COUNCILLOR ALLOWANCES

In accordance with section 39 of the *Local Government Act 2020*, Councillors are entitled to receive an allowance while performing their duty as a Councillor. The Mayor is also entitled to receive a higher allowance. The State Government sets the upper and lower limits for these allowances based on the income and population of each Council. Mitchell Shire Council is a category two council.

For the period for 1 July 2019 to 30 June 2020, the councillor annual allowance for a category 2 council (as defined by the Act) ranged from at \$10,914-\$26,245 per annum for the Councillor allowance and up to \$81,204 per annum for the Mayoral allowance.

Councillor	Allowance \$	Superannuation \$	Telecommunication \$	Education \$	Memberships \$	Accommodation and Travel \$	Total \$
Councillor Term 2016-2020							
Cr Atkinson	26,030	2,473	378	60	550	1,881	31,372
Cr Chisholm	47,733	4,535	571	838	0	752	54,429
Cr Cornish	26,030	2,473	220	0	0	0	28,723
Cr Eldridge	26,030	2,473	211	0	0	0	28,714
Cr Goble	26,030	2,473	160	150	0	0	28,813
Cr Humm	26,030	2,473	557	180	0	397	29,637
Cr Lowe	58,838	5,590	0	127	0	1,048	65,603
Cr Sanderson	26,030	2,473	542	305	541	361	30,252
Cr Stevens	26,030	2,473	536	0	0	0	29,039
Total	288,811	27,436	3,175	1,600	1,091	4,439	326,612

Notes:

- > All figures have been rounded
- > Cr Chisholm was Mayor until November 2019
- > Cr Lowe was elected Mayor in November 2019

COUNCILLOR EXPENSES AND SUPPORT

Section 40 of the *Local Government Act 2020* also provides for the reimbursement of necessary out of pocket expenses incurred while performing the duties of a Councillor.

Mitchell's Council Expenses Policy provides for reimbursement of a range of expenses related to approved training, registration fees, conference and functions, travel and childcare. The policy also identifies the facilities, services and resources which are made available to Councillors.

A copy of this policy is available for inspection, as required under section 40 of the *Local Government Act 2020* and is available on Council's website.

In line with the policy, support is provided to the Mayor in the form of a Council vehicle, mobile telephone and computer equipment. Mobile telephones and a selection of computer equipment are also made available to all Councillors.

The following tables shows what equipment has been provided to each Councillor and what reimbursements have been provided in 2019/20.

Councillor	Mobile Phone	Tablet	Printer
Cr Atkinson	✓	✓	X
Cr Chisholm	✓	✓	✓
Cr Cornish	✓	✓	✓
Cr Eldridge	✓	✓	✓
Cr Goble	X	✓	X
Cr Humm	✓	✓	X
Cr Lowe	✓	✓	X
Cr Sanderson	✓	✓	✓
Cr Stevens	✓	✓	✓

Expense Categories

Councillor Allowances and Superannuation

The Victorian Government sets upper and lower limits for all allowances paid to Councillors and Mayors. Mitchell Shire Council is classified as a category two Council. Allowances are paid in accordance with section 39 of the *Local Government Act 2020*.

Telecommunication

Councillors are supplied with an iPhone, tablet and printer. The provision of these telecommunications services is paid for by Council. Any expenses associated with private use, including any use exceeding the download capacity provided, of these services and facilities, must be reimbursed to Council.

Councillor Education

This category covers registration fees associated with attendance by Councillors within Victoria at one-off or short-term training, conferences and/or functions held by local government related organisations, professional bodies or institutions.

This category also covers fees associated with specialised group training for elected Councillors.

Accommodation and Travel

This category covers expenses associated with attendance by Councillors within Victoria at approved short-term training, conferences and/or functions. The Councillor Expense and Support Policy provides for the reimbursement of car parking fees, e-tags and use of private vehicles while conducting Council business.

COUNCIL REPRESENTATION

Councillors represent the interests of our community through direct contact with residents, representation on local interest groups and involvement in broader scale agency and government committees. In addition to participation in Council meetings and engagement in direct community and individual consultation, Councillors are appointed to a variety of bodies to represent the various interests of Mitchell Shire Council and its people.

The appointments for 2019/20 are listed in the following tables. Appointments were updated at the Special Council Meeting on 25 November 2019.

Regional, State-Wide and Local Organisations

Organisation	Appointments (as at 25 November 2019)
Australian Local Government Women's Association – Victorian Branch	Cr Sanderson
Goulburn Broken Greenhouse Alliance	Cr Atkinson
Goulburn Valley Waste and Resource Recovery Group (GVWRRG)	Cr Stevens
Hume Region Local Government Network (HRLGN)	Mayor, Cr Lowe Chief Executive Officer
Interface Council Group	Cr Lowe Chief Executive Officer
Merri Creek Management Committee Inc.	Cr Eldridge
Municipal Association of Victoria	Mayor, Cr Lowe Deputy Mayor, Cr Atkinson
Municipal Emergency Management Planning Committee	Mayor, Cr Chisholm
Municipal Fire Management Planning Committee	Cr Goble Cr Chisholm
RoadSafe Goulburn Valley	Cr Stevens Director Development and Infrastructure or delegate
Rural Council Victoria	Cr Lowe
Victorian Local Governance Association	Cr Lowe
Melbourne Northern Metropolitan Forum	Cr Lowe
Mitchell Honbetsu Sister City Association Inc	Cr Goble
Mitchell Shire Pest Plan and Animal Taskforce	Cr Chisholm

Committees of Management

Central Ward

Organisation	Appointments (as at 25 November 2019)
Broadford Land Management Group	Cr Atkinson
Harley Hammond Reserve	Cr Atkinson
JJ Clancy Reserve	Cr Humm
Kilmore Soldiers Memorial Hall	Cr Humm
Broadford Living and Learning Centre	Cr Goble

North Ward

Organisation	Appointments (as at 25 November 2019)
Australian Light Horse Memorial Park	Cr Sanderson
Kings Park Recreation Reserve	Cr Sanderson
Pyalong Recreation Reserve	Cr Chisholm
Seymour Bushland Park	Cr Sanderson
Seymour Old Courthouse	Cr Stevens
Seymour Tennis Complex	Cr Stevens
Tallarook Mechanics Institute	Cr Chisholm
Tallarook Recreation Reserve	Cr Stevens
Tooborac Mechanics Hall and Reserve	Cr Chisholm

South Ward

Organisation	Appointments (as at 25 November 2019)
Beveridge Recreation Reserve	Cr Cornish
Greenhill Social Club	Cr Eldridge
Committee of Management RB Robson Stadium	Cr Cornish
Wandong Sports and Community	Cr Lowe
Wandong Public Hall	Cr Lowe

COUNCIL AND ADVISORY COMMITTEES

Council has established three formal Committees to assist the Council in decision making on specific areas of Council's functions and responsibilities.

Depending on their role and the need for delegated powers, these Committees are either delegated committees or advisory committees as defined in the *Local Government Act 1989 and 2020*. Each of these Committees has a Charter adopted by Council resolution and their meetings are governed by Council's *Local Law No. 1 – Meeting Procedure 2014*.

Council Committees

Organisation	Appointments (as at 25 November 2019)
Audit (Advisory) Committee	Cr Humm Cr Atkinson
CEO Performance Review Advisory Committee	Cr Lowe Cr Chisholm Cr Eldridge
Community Questions and Hearings Committee	All Councillors

Advisory Committees

Organisation	Appointments (as at 25 November 29)
Mitchell Youth Advisory Committee	Cr Cornish
Social Justice Advisory Committee	Cr Goble
Mitchell Environment Advisory Committee	Cr Eldridge
Mitchell Fire Consultative Forum	Cr Goble Cr Chisholm
Mitchell Heritage Advisory Committee	Cr Humm
Mitchell Early Years Advisory Committee	Cr Cornish
Australia Day Awards Committee	Cr Lowe Cr Sanderson Cr Cornish Cr Humm

AUDITING

AUDIT AND RISK COMMITTEE

Council has established an independent Audit and Risk Committee (Committee) pursuant to section 53 of the *Local Government Act 2020* (the Act), which supports Council in discharging its oversight responsibilities related to financial reporting, risk management, maintenance of sound systems of internal control, assurance activities including internal and external audit and Council's performance with regard to legislative and regulatory compliance and its Codes of Conduct. It acts in this capacity by monitoring, reviewing and advising on issues within its scope of responsibility.

The primary objective of Mitchell's Audit and Risk Committee is to assist Council in the effective conduct of its responsibilities for managing risk and maintaining a reliable system of internal controls and associated reporting.

The Audit and Risk Committee monitors and provides advice to Council on:

- > External financial reporting
- > Internal and external audit
- > Internal control and risk management
- > Compliance and ethics
- > Fraud prevention
- > Good governance

Membership

The Audit and Risk Committee comprises three independent members, one of whom is appointed Chair, and two Councillors. Council members are appointed annually while independent members are appointed through a recruitment process for up to three years.

Councillor Members November 2016 – 2020

Cr David Atkinson, Cr David Lowe, Cr Chisholm (until November 2019) and Cr Humm (from February 2020)

Independent Members

Michael Ulbrick (Chair)

Michael has held numerous executive positions to the level of Chief Executive within the public and local government sectors and has significant experience working in regional and metropolitan councils. He has been appointed as an independent member to a number of local councils' Audit Committees and holds the position of Commissioner with the Victoria Grants Commission. Michael is a qualified Company Director and holds tertiary qualifications in economics, mathematics, education, accounting and applied information systems.

Bruce Potgieter

Bruce has over 20 years' involvement with local government as auditor and consultant and is currently an independent member of five Audit Committees. Bruce is a Chartered Accountant with a background in audit, specialising in the local government and health sectors. He was a former member of the local government taskforce which developed the model budget for the sector and chaired the Municipal Association of Victoria's Annual Reporting Awards Committee.

Robert Wernli

A partner in DFK Kidsons, he is a career Chartered Accountant with over 35 years of professional public practice experience. His experience is in audit, finance, due diligence, risk and governance advisory. He has particular experience in local government being involved as an independent member of Audit Committees, being the internal auditor for numerous local governments, and being responsible for the performance of external audits in the local government sector as an audit service provider for the Victorian Auditor General's Office. Robert is a Fellow of Chartered Accountants Australia New Zealand, a Registered Company Auditor, and holds a Bachelor of Commerce from the University of Melbourne.

Other participants

Council's Chief Executive Officer, Director Governance and Corporate Performance, Manager Finance and Assets, a representative from People and Culture and the Internal Auditor (Pitcher Partners) attend all meetings by invitation of the Committee. The External Auditor (LD Assurance) attended meetings to present the external audit plan and the statutory audit for the Annual Statements and Interim Audit.

Attendance

The Audit Committee met four times during the 2019/20 financial year.

The meetings were held on 5 September 2019, 21 November 2019, 27 February 2020 and 21 May 2020. A quorum was achieved for every meeting.

MEMBER	05/09/2019	21/11/2019	27/02/2020	21/05/2020
Mr. Michael Ulbrick	✓	✓	✓	✓
Mr. Bruce Potgieter	✓	✓	✓	✓
Mr. Rob Wernli	✓	✓	✓	✓
Cr. David Atkinson	✓	✓	✓	✓
Cr. David Lowe	✓	✓	✓	✓
Cr. Bob Humm	X	X	✓	✓
Cr Bill Chisholm	✓	✓	X	X

Internal Audit

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve the operations of Council. A three-year Strategic Internal Audit Plan (SIAP) is revised annually to ensure the audit resources remain focused on the appropriate areas. The review process considers council's risk framework, the council plan, the impact of any change on operations, systems or the business environment, prior audit coverage and outcomes and management input. The SIAP is reviewed and approved by the Audit and Risk Committee annually.

This year, Council's internal auditor, Pitcher Partners, conducted comprehensive audits of Procurement, Corporate Cards, Cyber Security, Budgeting and Forecasting and Project Management.

External Audit

Council's external auditor is selected by the Victorian Auditor General's Office with LD Assurance appointed as Council's external auditor for a three-year period. The Audit Committee reviewed the Annual Financial and Performance Statements and also considered responses prepared by management in the annual statutory audit along with monitoring progress of management in implementing agreed actions.

During the course of review of annual statements, the Audit Committee is also provided an opportunity to meet with the external auditors without management to discuss any issues of relevance.

RISK MANAGEMENT

RISK FRAMEWORK

Council is committed to pro-active risk management to help provide a safe environment and facilities for the community and for employees. Council manages risk through a framework developed using the International Standard ISO31000. The Risk Management Framework, reviewed in 2017, reflects the risk appetite of the organisation.

The Risk software is now embedded and there has been a systematic review of risks with all leaders in the organisation to identify risks, controls and actions to mitigate strategic and operational risks.

RISK AUDIT

Council is regularly audited on many aspects of risk management as part of a wider insurance framework. The audits are scored and benchmarked against other councils and specific regions within the state. The level of performance also has an impact on the premiums for Public Liability, Commercial Crime and Asset Protection.

BUSINESS CONTINUITY PLAN

Business continuity planning helps the organisation respond to events which could impact on Council's ability to meet the needs of the community. The Business Continuity Framework identifies opportunities to prevent or minimise business disruption and encourages a culture of resilience and preparedness.

The Business Continuity Framework was tested with the COVID-19 Pandemic and demonstrated that Council was able manage each area of through their Business Impact Analysis and business continuity plans developed. The Crisis Management Team grew during the crisis and assisted the Executive who operated as the Continuity Executive Leadership Team to manage communication and activities of the Council.

This ongoing testing of the organisation's preparedness in relation to Business Continuity allows Council to improve and evolve our capacity to meet the needs of our community during disruptions.

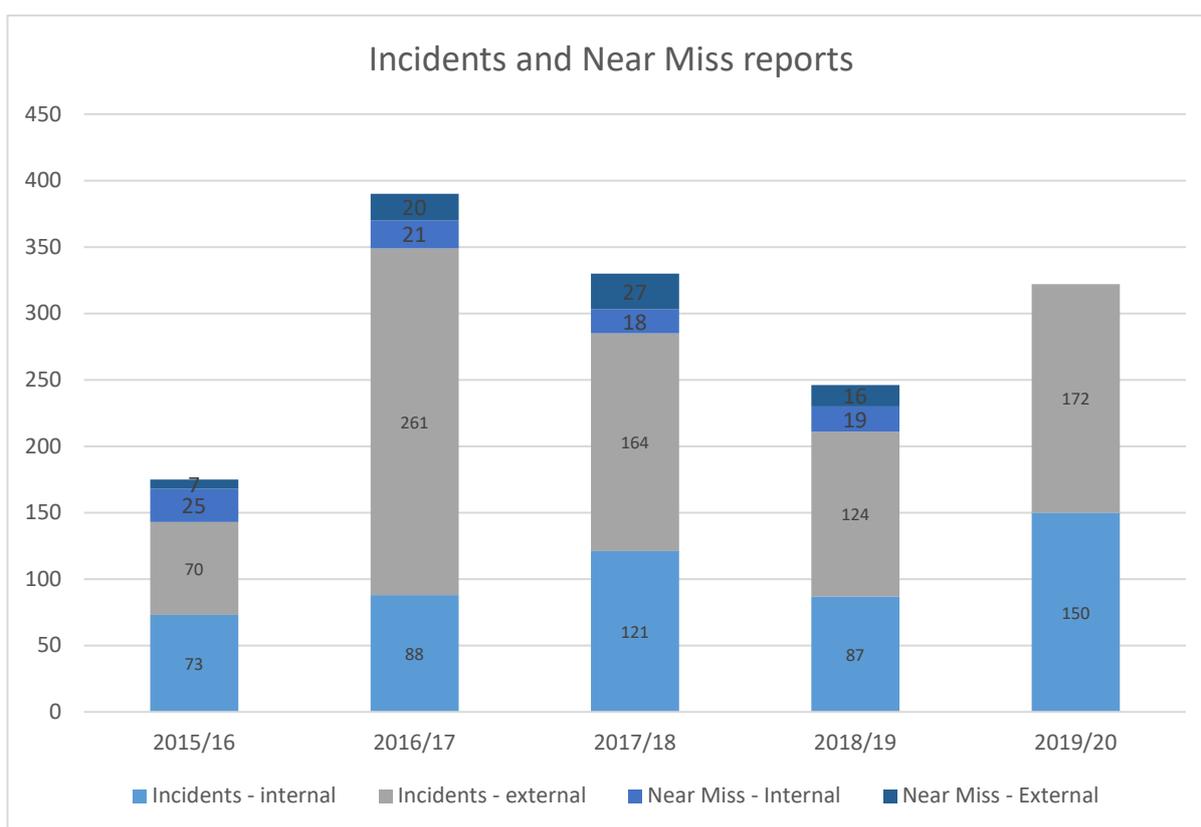
OCCUPATIONAL HEALTH AND SAFETY

Mitchell Shire Council is committed to ensuring the health and safety of employees, contractors and the public. This is achieved using procedures, guidelines and management tools which develop an informed safety culture and meet our legislative requirements.

REPORTED INCIDENTS AND NEAR MISS REPORTS

All incidents, including near misses must be reported and then actioned by the manager or supervisor in the relevant area.

The incident reporting system is embedded now since its implementation in 2019/20 which has led to improved reporting timelines and continued focus on the reporting of incidents. Risk and OHS continues to use incident data to monitor performance and implement continuous improvement activities to prevent recurrence of incidents. A decrease in the number of incidents reported in the second half of 2019/20 occurred as a result of the reduced activities on sites during the COVID-19 Pandemic. Overall reporting of incidents increased as the organisation embraced the reporting system.



Overall, the number of WorkCover cases has dropped (with only one minor and two standard claims reported during 2020), but due to a case with a long duration the premium has been pushed higher.

ASSET MANAGEMENT

In 2019/20 Council's asset replacement cost has significantly increased from \$602M to \$685M. Council brought on just under \$15M of new assets from its capital works program, and a further \$17.5M of assets were gifted to Council from new subdivisions (roads, drainage, open spaces). The largest impact on replacement cost related to revaluations of existing assets, notably Council's drainage network and building stock. After not having been revalued for several years, the drainage replacement cost increased by \$33M and buildings by \$11M.

Council is continually reviewing asset management practices through its Asset Management Working Group (AMWG), led by the CEO, Executive and Managers from each Directorate. This year the AMWG put forward to Council an updated Asset Management Policy and Accounting for Assets Policy. These two documents form part of the Asset Management Framework being implemented at Council to ensure high level visibility and scrutiny of asset management performance.

A key objective of the Asset Management Policy is to ensure that assets used to support the services delivered by Mitchell Shire Council are appropriately managed to guarantee that quality services continue to be available to the community for the long-term future. Council is taking a long-term strategic focus to ensure it is positioned to address new, upgrade and renewal requirements of assets so that the services Council delivers continue to meet the expectations of the community.

NEW SUBDIVISIONS

The Mitchell Shire continues to be one of the fastest growing Council's in Australia and each year this means growth of our asset base. Developers gift to Council the roadways, footpaths, stormwater drainage and parks and open spaces that they develop as part of new residential estates. These become Council's assets to manage and maintain for as long as they are required by the community.

In 2019/20 the number of subdivisions completed was a little less than expected at around 500 lots. It is likely that some developers experienced delays as they worked their way through managing the impacts of COVID-19. In 2020/21 we expect to see the number of lots increase back up above 1000, provided the industry can continue to work through COVID-19 regulations.

CAPITAL WORKS

In 2019/20 Council invested \$14.9M in existing and new assets through its capital works program. There were 113 projects completed which included the JJ Clancy Reserve Tennis Enclosures (\$1M) and new oval lighting (\$340K) in Kilmore, the Secondary College Oval - joint use (\$765K) and Watson Street Shared Path (\$761K) in Wallan, new playing courts at LB Davern Reserve Wandong (\$612K), Oak Street (\$580K) and Wallis Street (\$480K) reconstructions in Seymour, Broadford Secondary College Oval - joint use (\$338K) among many other successful projects.

Development of new assets also requires the rationalisation or replacement of aged and underperforming assets, or the sale of surplus assets, such as land. As part of this year's capital works, there was also \$1.98M in assets that have been disposed of to make way for new constructions, to generate income, or lower our maintenance costs.

ASSET RENEWAL

Renewal investment in assets is a critical sustainability measure for Local Government Councils. The more our asset portfolio grows, the more Council must spend on the ongoing maintenance and management of these assets. All the while Council is still required to deliver new assets to growing communities. The challenge of getting the right balance of investment between renewal and new assets is critical; to ensure our existing assets continue to perform at a high level, and that new communities also have access to the types of services our established communities have.

In 2019/20 our overall renewal investment was \$7.9M. This was a decrease from 2018/19 by \$1.4M. Council takes its asset renewal obligations very seriously, and it is expected the 2020/21 figure will exceed 2018/19 as we improve our renewal planning through data capture, analysis, inspections and modelling.

ASSET MANAGEMENT PLANS

In 2019/20 Council undertook a project to audit all Council owned buildings and facilities to ascertain the condition of the buildings, as well as reassess the value of the buildings to understand their replacement cost. This year was the first time Council distinguished the structure, roof, mechanical services, and fit out, as separate components of a building with different replacement unit rates, and different economic lives. Council will use this information in the redrafting of the Buildings AMP in 2020/21 to develop a much more accurate figure of the required investment to ensure the community is receiving a level of service they expect from Council buildings.

The same approach was also taken with an audit of the vehicle and pedestrian bridge network. By better understanding the condition of components that can be replaced, rather than looking at the bridges as a whole (with regard to condition) we hope to provide much more realistic renewal costs that reflect the future investment required in these critical assets. The bridge asset management plan will also be redrafted in 2020/21.

OTHER STATUTORY INFORMATION

DOCUMENTS AVAILABLE FOR PUBLIC INSPECTION

In accordance with regulation 12 of the *Local Government (General) Regulations 2015* the following are prescribed documents that are available for public inspection. Copies of the documents can be obtained for the purposes of section 222 of the Act at 113 High Street Broadford, or by contacting our Governance and Corporate Accountability Department on 5734 6200:

- a) a document containing details of overseas or interstate travel (other than interstate travel by land for less than three days) undertaken in an official capacity by councillor or any member of council staff in the previous 12 months
- b) 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
- c) 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
- d) 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
- e) 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
- f) a register maintained under section 224(1A) of the Act of authorised officers appointed under that section
- g) 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

In accordance with section 208B(F) of the *Local Government Act 1989*, Council is required to report annually on initiatives carried out in relation to best value principles:

- > Specific quality and cost standards for council services
- > Responsiveness to community needs
- > Accessibility and appropriately targeted services
- > Continuous improvement
- > Regular community consultation on all service and activities
- > Frequent community reporting.

Council endorsed the Service Planning Policy in April 2019 and commenced the implementation of Service Planning and Service Delivery Review Program. This ongoing activity will be progressively rolled out across the organisation over the next four years, ensuring that all services delivered by Council are efficient, effective and appropriate for our community.

Council sought community input on several projects, services and activities; took part in the State Government's Community Satisfaction Survey and provided regular reports on the Local Government Reporting Framework and Council Plan activities throughout the year.

CARERS RECOGNITION

In accordance with the *Carers Recognition Act 2012*, Council is required to report annually on its care measurement obligations under section 11 of that Act.

Council has promoted the principles of that 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 service
- > 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 by including information on the care relationship in Council induction and training programs for staff working in Community Services and front-line positions.

CONTRACTS

In accordance with the *Local Government Act 1989*, Council is required to disclose any contracts valued at more than \$200,000 that were not engaged via a public tender process. During the year, Council did not enter into any contracts over \$200,000 outside of the tender process.

DISABILITY ACTION PLAN

In accordance with Section 38 of the *Disability Act 2006*, Council is required to report on the implementation of the Disability Action Plan in its annual report.

Mitchell Shire Council's first Social Justice Framework was adopted in November 2018, with the aim to promote equal rights and opportunities for all people within Mitchell and to redress the impact that social and economic inequalities have on both the people experiencing it and the wider community.

The Framework provides a set of guiding principles to support Council, key stakeholders and community members to deliver accessible, equitable and inclusive programs, services and decision-making processes.

DOMESTIC ANIMAL MANAGEMENT PLAN

In July 2017, Council approved in full Mitchell Shire Councils Domestic Animal Management Plan 2017 – 2021 (DAMP). As part of the requirement and in accordance with the *Domestic Animals Act 1994*, Council is required to review its DAMP on an annual basis.

As part of the implementation of the DAMP, Council appointed a Domestic Animal Management Plan Consultative Committee (DAMPCC) to oversee and review the DAMP on a regular basis. The Committee was formed by community submissions and represents members within our community with specific knowledge and skills required to ensure that the Plan is implemented, reviewed and that any changes that were required are made.

The Manager Local Law and Emergency Management has delegated authority in relation to the review of the DAMP and after consultation with the DAMPCC there have been no changes made to the Plan.

Keys Achievements to date

Investigate fenced off lead areas within Mitchell (Years 1 - 4)

- Council was successful in obtaining grant funding from DELWP to facilitate a fenced Off-lead Dog Park located on East Street, Kilmore. The area has been built, and a few minor works are to be completed with the park expected to open in first week of December 2020.
- Council is also consulting with developers to implement fenced dog off-lead areas. It is understood that the next fenced Off-lead Dog Park will be created in Beveridge as a result of these discussions.
- Springridge is tracking nicely with minimal reported dog attack incidents to date being recorded.

Review Dog Barking process

- A review has been conducted on the nuisance dog barking investigation process, with this in mind there has been a change to the way an investigation is conducted to shorten the investigation time.
- The DAMPCC noted that the RSPCA is also working on assisting dog owners with a user kit which will them with barking nuisance. Council will work with the RSPCA and provide information when the works have been completed.

Develop a 10-point plan

- A 10-point plan on responsible pet ownership has been developed which focusses on new owners. During this process, Council also developed a 10-point plan for the newly implemented Cat Curfew. Council is also working on a 10-point plan on “I have a pet. What now?” which will focus on how to make sure that your pet is being cared for and further tips on being a responsible pet owner.

Local Law Officer training

- Training of Local Laws Officers is important. The review highlighted that two Local Laws Officers had completed their Certificate IV in Animal Control and Regulation and Certificate IV in Government, with a further three Local Laws Officers booked into the Certificate IV in 2021.

During COVID restrictions some aspect of the DAMP have been difficult to achieve. The DAMPCC noted that the DAMP was tracking well and that all components were being achieved to date.

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

The *Freedom of Information Act 1982* grants the community the right to access certain Council documents. This general right of access is limited by exceptions and exemptions which have been prescribed to protect public interests and the private and business affairs of people about whom Council holds information. The Act has four principles:

1. The public has the right of access to information.
2. Local governments are required to publish information on the documents they hold.
3. People may request that inaccurate, incomplete, out-of-date or misleading information in their personal records be amended.
4. People may appeal against a decision not to give access to the information or not to amend a personal record.

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. Following is the summary of the application and operation of the *Freedom of Information Act 1982*.

FOI Requests received	2015/16	2016/17	2017/18	2018/19	2019/20
New requests	7	24	10	10	13
Access granted in full	3	2	5	1	0
Access granted in part	1	16	4	9	9
Access denied in full	0	0	0	0	0
Requests withdrawn	0	2	0	0	0
Requests determined not to be FOI requests	0	1	1	1	1
Requests still under consideration	5	0	0	1	0
Requests, no documents existed	0	3	0	0	3
Number of internal reviews sought	0	0	0	0	0
Appeals lodged with VCAT	0	0	0	0	0

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

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

Requests for documents in the possession of council should be addressed to the Freedom of Information Officer. Requests can be made by email to mitchell@mitchellshire.vic.gov.au or in writing addressed to the Freedom of Information Officer, Mitchell Shire Council 113 High Street Broadford 3658.

Access charges may also apply once documents have been processed and a decision on access is made (e.g. photocopying and search and retrieval charges). Further information regarding FOI can be found at www.ovic.vic.gov.au.

INFORMATION PRIVACY

The responsible handling of personal information is a key aspect of democratic governance and Council is committed to protecting an individual's right to privacy. Council will take the necessary steps to ensure that the personal information that people share with us remains confidential. Accordingly, Council is committed to full compliance with its obligations under the *Privacy and Data Protection Act 2014* and the *Health Records Act 2001*. Council's Information Privacy Policy is available on our website.

A complaint process is available if any person feels aggrieved by Council's collection or handling of their personal information. An individual may make a complaint to Council's Privacy Officer by emailing mitchell@mitchellshire.vic.gov.au calling (03) 5734 6200 or by sending written correspondence to Mitchell Shire Council, 113 High Street, Broadford, Victoria 3658.

Mitchell Shire Council received one privacy complaint in 2019/20. This complaint was not deemed a privacy breach.

NATIONAL COMPETITION POLICY COMPLIANCE

The National Competition Policy promotes efficient public resource allocation. Its underpinning principles are intended to ensure reform of monopolies; that there is separation of regulatory and business functions; that legislative restrictions on competition are removed; and that price reforms are adopted to offset any public ownership advantages enjoyed by government businesses.

Mitchell Shire Council is required to comply in three areas:

1. Trade Practices (Competition Code, *Competition Policy Reform Act 1995*)
2. Local Laws
3. Competitive Neutrality

Mitchell Shire Council continues to recognise its obligations to comply with the *Trade Practices Act 1974* Part IV (Competition Code in Victoria). There were no complaints to Council or any referrals or investigations by the Australian Competition and Consumer Commission related to Trade Practices in 2019/20. Council is also required to review its Local Laws to ensure they do not restrict competition.

Council recognises its obligations towards competitive neutrality in accordance with the requirements of Victorian Government Policy, National Competition Policy and Local Government. Council takes public interest considerations into account in deciding whether competitive neutrality should apply and believes that all principles of competitive neutrality have been correctly applied.

No complaints were received in 2019/20.

PUBLIC INTEREST DISCLOSURES

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

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

During the 2019/20 year no disclosures were notified to council officers appointed to receive disclosures, or to Independent Broad-based Anti-Corruption Commission (IBAC).

LOCAL LAWS

Local Law No. 1 Community and Environment 2013

Local Law No. 1 Community and Environment 2013 was last reviewed and adopted by Council in June 2013. It covers alcohol, animals, asset protection, firewood collection, fireworks, open air vehicles, recreational vehicles, road closures, skip bins and trading. It outlines permits and procedures required, as well as the relevant fines for infringement of these procedures.

The objectives of the local law are to:

- > Provide for the peace, order and wellbeing of people in the municipal district by enhancing public safety and community amenity
- > Provide for the safe and equitable use and enjoyment of public places
- > Protect and enhance the environment and amenity of the municipality
- > Regulate and control activities and behaviours which may be regarded as dangerous, unsafe or detrimental
- > Allow uniform and fair administration of this local law

Local Law No. 1 Meeting Procedures 2014

Local Law No. 1 Meeting Procedures 2014 was gazetted in December 2014. The objectives of the meeting procedures local law are to:

- > Provide for the election of the Mayor and Deputy Mayor
- > Regulate the use of the common seal
- > Prohibit unauthorised use of the common seal or any device resembling the common seal
- > Provide for the procedures governing the conduct of Council meetings and Special Committee and Advisory Committee meetings
- > Set the rules of behaviour for those participating in or present at Council meetings and Special Committee and Advisory Committee meetings

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.

DEVELOPMENT CONTRIBUTIONS PLAN REPORT

Infrastructure and development contributions.

In accordance with sections 46M(1) and 46QD of the *Planning and Environment Act 1987*, a council that is a collecting or development agency must prepare and give a report to the Minister for Planning on infrastructure and development contributions including levies and works in kind. The report must be included in a council's annual report.

For the 2019/20 year the following information about infrastructure and development contributions is disclosed.

Infrastructure contributions.

No infrastructure contributions were recorded for 2019/20.

Development contributions.

DCP name	Year approved	DCPO#	Levies received in 2019/20	Levies Received in Total
Lockerbie	2012	DCP01	\$2,757,752	\$8,914,759
Lockerbie North	2012	DCP02	\$0	\$0

Table 1 - Total Development Contributions Plans (DCP) levies received in 2019/20

DCP land, works, services or facilities accepted as works-in-kind in 2019/20

No land, works, services or facilities were accepted as works-in-kind in 2019/20.

Total DCP contributions received and expended to date ¹

No levies, contributions or works were received in 2019/20.

Land, works, services or facilities delivered in 2019/20 from DCP levies collected

No land, works, services or facilities were delivered in 2019/20.

¹ for DCPs approved after 1 June 2016

GOVERNANCE AND MANAGEMENT CHECKLIST

The following are the results in the prescribed form of Council's assessment against the prescribed Governance and Management Checklist.

Column 1	Column 2
Governance and Management items	Assessment
1. Community engagement policy (policy outlining Council's commitment to engaging with the community on matters of public interest)	Current policy in operation ✓ Date of adoption/operation of current policy: 19/11/2018
2. Community engagement guidelines (guidelines to assist staff to determine when and how to engage with the community)	Current guidelines in operation ✓ Date of operation of current guidelines: 19/11/2018
3. Strategic Resource Plan (plan under section 126 of the Act outlining the financial and non-financial resources required for at least the next four financial years)	Plan adopted in accordance with section 126 of the Act ✓ Date of adoption: 22/06/2020
4. Annual budget (plan under section 130 of the Act setting out the services to be provided and initiatives to be undertaken over the next 12 months and the funding and other resources required)	Adopted in accordance with section 130 of the Act ✓ Date of Adoption: 22/06/2020
5. Asset management plans (plans that set out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)	Plans ✓ Date of operation of current plans: Bridges 13/11/2018, Buildings 19/02/2019, Recreation and Open Spaces 28/05/2019, Roads 13/11/2018, Drainage 29/01/2019.
6. Rating strategy (strategy setting out the rating structure of Council to levy rates and charges)	Strategy ✓ Date of operation of current strategy: 24/06/2019

Column 1	Column 2
Governance and Management items	Assessment
7. Risk policy (policy outlining Council's commitment and approach to minimising the risks to Council's operations)	Policy ✓ Date of operation of current policy: 12/04/2018
8. Fraud policy (policy outlining Council's commitment and approach to minimising the risk of fraud)	Policy ✓ Date of operation of current policy: 14/02/2019
9. Municipal emergency management plan (plan under section 20 of the <i>Emergency Management Act 1986</i> for emergency prevention, response and recovery)	Prepared and maintained in accordance with section 20 of the <i>Emergency Management Act 1986</i> ✓ Date of preparation: 21/02/2018
10. Procurement policy (policy under section 186A of the <i>Local Government Act 1989</i> outlining the matters, practices and procedures that will apply to all purchases of goods, services and works)	Prepared and approved in accordance with section 186A of the Local Government Act ✓ Date of approval: 30/06/2019
11. Business continuity plan (plan setting out the actions that will be taken to ensure that key services continue to operate in the event of a disaster)	Plan ✓ Current plan in operation: 09/04/2019
12. Disaster recovery plan (plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster)	Plan ✓ Current plan in operation: 09/04/2019
13. Risk management framework (framework outlining Council's approach to managing risks to the Council's operations)	Framework ✓ Current framework in operation: 14/09/2017

Column 1	Column 2
Governance and Management items	Assessment
<p>14. Audit and Risk Committee (advisory committee of Council under section 53 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 53 of the Act ✓ Date of establishment: 22/06/2020</p>
<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>Engaged ✓ Date of engagement of current provider: 01/03/2017</p>
<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>Framework ✓ Current framework in operation: 15/05/2018</p>
<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>Report ✓ Date of current report: 15/02/2020</p>
<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>Quarterly statements presented to Council in accordance with section 138(1) of the Act ✓ Date statements presented: 16/09/2019, 18/11/2019, 17/02/2020, 18/05/2020</p>
<p>19. Risk reporting (six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies)</p>	<p>Report ✓ Date of reports: 05/09/2019, 21/11/2019, 27/02/2020, 21/05/2020</p>

Column 1	Column 2
Governance and Management items	Assessment
20. Performance reporting (six-monthly reports of indicators measuring the results against financial and non-financial performance, including performance indicators referred to in section 131 of the Act)	Report ✓ Date of reports: 21/10/2019, 15/02/2020
21. Annual report (annual report under sections 131, 132 and 133 of the Act to the community containing a report of operations and audited financial performance statements)	Annual report considered at a meeting of Council in accordance with section 134 of the Act ✓ Date of report: 21/10/2019
22. Councillor Code of Conduct (Code under section 76C of the Act setting out the conduct principles and the dispute resolution processes to be followed by Councillors)	Code of conduct reviewed in accordance with section 76C of the Act ✓ Date reviewed: 06/02/2017
23. Delegations (a document setting out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff)	Delegations reviewed in accordance with section 98(6) of the Act ✓ Date of review: 16/10/2017
24. Meeting procedures (a local law governing the conduct of meetings of Council and special committees)	Meeting procedures local law made in accordance with section 91(1) of the Act ✓ Date local law made: 25/12/2014

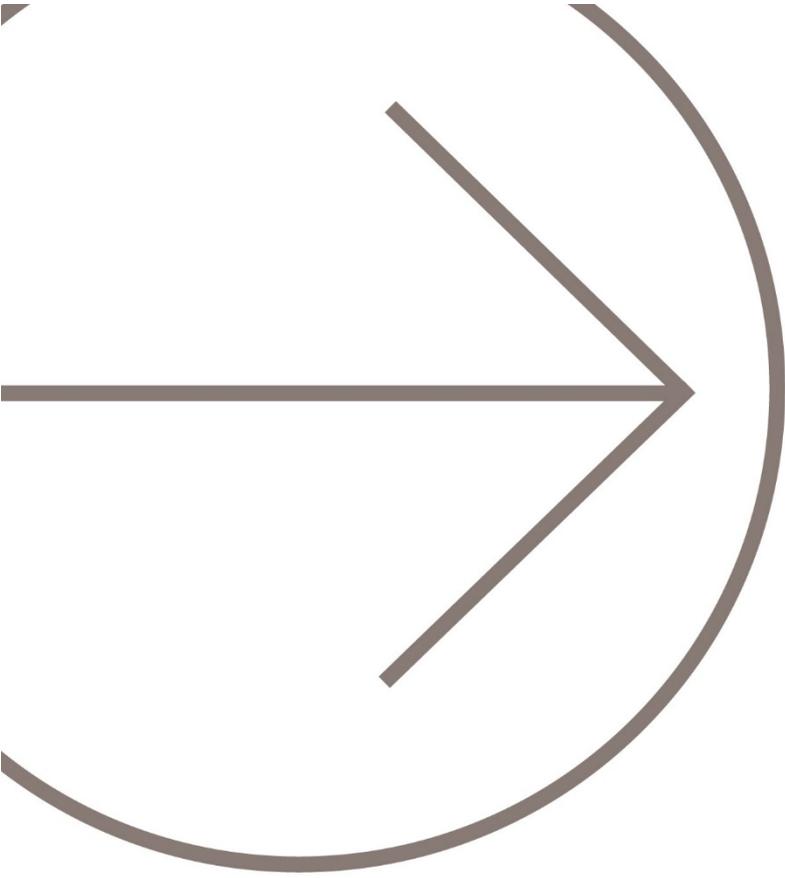
I certify that this information presents fairly the status of Council's governance and management arrangements.



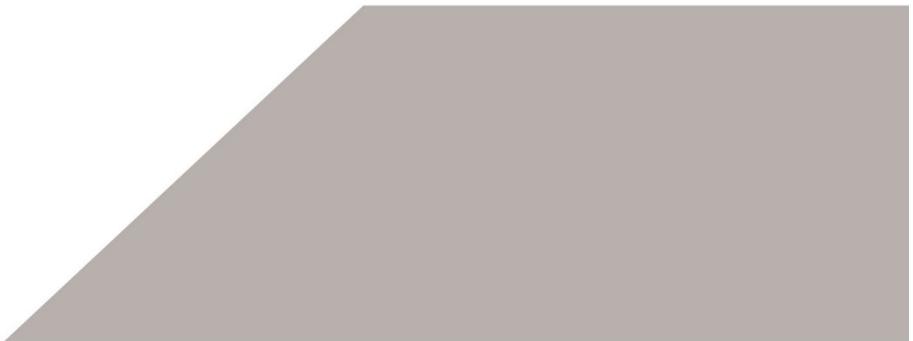
Brett Luxford
Chief Executive Officer
Dated: 19 October 2020



Cr David Lowe
Mayor
Dated: 19 October 2020



PERFORMANCE STATEMENT



Independent Auditor's Report

To the Councillors of Mitchell Shire Council

<p>Opinion</p>	<p>I have audited the accompanying performance statement of Mitchell Shire Council (the council) which comprises the:</p> <ul style="list-style-type: none"> • description of municipality for the year ended 30 June 2020 • sustainable capacity indicators for the year ended 30 June 2020 • service performance indicators for the year ended 30 June 2020 • financial performance indicators for the year ended 30 June 2020 • other information and • the certification of the performance statement. <p>In my opinion, the performance statement presents fairly, in all material respects, the performance of the council for the year ended 30 June 2020 in accordance with the performance reporting requirements of Part 6 of the <i>Local Government Act 1989</i>.</p>
<p>Basis for Opinion</p>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the performance statement</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. I and my staff are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the performance statement in Victoria and have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<p>Councillors' responsibilities for the performance statement</p>	<p>The Councillors are responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the <i>Local Government Act 1989</i> and for such internal control as the Councillors determines is necessary to enable the preparation and fair presentation of the statement of performance that is free from material misstatement, whether due to fraud or error.</p>
<p>Auditor's responsibilities for the audit of the performance statement</p>	<p>As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the performance statement based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the performance statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion.</p> <p>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>

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

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

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

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

MELBOURNE
29 October 2020



Sanchu Chummar

as delegate for the Auditor-General of Victoria

DESCRIPTION OF MUNICIPALITY

Strategically located just 40 kilometres north of Melbourne, Mitchell Shire is one of Victoria's fastest growing municipalities.

As an interface growth area, we offer a mix of rural and urban living with affordable housing and a diversity of lifestyle and housing choices.

Mitchell Shire has a population of 46,082¹. By 2041 it is expected that 70,800 people will call Mitchell home. It is anticipated that most of this growth will occur in and around the southern townships of Beveridge, Kilmore/Kilmore East and Wallan.

We have a high commuter workforce and our community relies heavily on regional rail and road networks to travel to and from work and for day to day community activities.

Key employers within the shire include Puckapunyal Military Area, Council, hospitals, health services, schools and childcare, supermarkets, Ralphs Meats and Nestle. Our agricultural, equine and tourism industries are also important contributors to our local economy.

Our rolling foothills, open farmland, mountain ranges, rivers, creeks and natural environment are key attributes of our landscape amenity. This also means parts of our municipality are subject to natural disasters such as fires, storms and floods.

At 2,862 square kilometres², we are a large municipality with many larger and smaller townships and communities. These include Beveridge, Broadford, Bylands, Clonbinane, Forbes, Glenaroua, Glenhope, Glenhope East, Heathcote Junction, Heathcote South, High Camp, Hilldene, Hughes Creek, Kilmore, Kilmore East, Mia Mia, Moranding, Northwood, Nulla Vale, Puckapunyal, Pyalong, Reedy Creek, Seymour, Sugarloaf Creek, Sunday Creek, Tallarook, Tooborac, Trawool, Tyaak, Upper Plenty, Wallan, Wallan East, Wandong, Waterford Park, Whiteheads Creek and Willowmavin. We also cover parts of Avenel, Donnybrook, Flowerdale, Highlands, Mangalore, Strath Creek, and Tarcombe.

¹ Australian Bureau of Statistics 3218.0 Regional Population Growth

² Australian Bureau of Statistics 3218.0 Regional Population Growth

IMPACT OF COVID-19 PANDEMIC ON COUNCIL OPERATIONS AND FINANCIAL REPORT:

On 30 January 2020, COVID-19 was declared as a global pandemic by world health organisation. Since then, various measures are taken by all three levels of Government in Australia to reduce the spread of COVID-19.

On 22 March 2020, Premier Daniel Andrews announced implementation of a shutdown of all non-essential activity across Victoria to combat the spread of COVID-19. This was rapidly escalated to formal Stage 2 restrictions on 25 March 2020, followed by Stage 3 on 28 March 2020. This had the greatest impact on our Aquatic Services as visitation numbers were at first reduced, then facilities closed. Library Services were also significantly reduced, and at varying points, prohibited.

By May 2020, community transmission numbers had eased, and Victoria prepared to re-open in June. Unfortunately, this was short-lived, and by 30 June 2020, the Chief Health Officer advised the Victorian Government to return a number of Victorian post-codes to Stage 3 restrictions, paving the way for a return to minimum Stage 3 across the State.

This crisis and measures taken to mitigate it has impacted operations in the following areas for the financial year ended 30 June 2020:

- In response to significant decrease in demand / government directive amidst the COVID-19 outbreak, leisure facilities / libraries / community and customer service centres were closed. These closures resulted in a decrease in the council user fee revenue by approximately \$816K and also decreased associated expenses by \$903K. However, due to the closures of these facilities, Council had a number of staff who required redeployment to focus on COVID-19 tasks and response, this initiative incurred staffing costs of \$95K. Furthermore, other COVID-19 specific costs were incurred including, additional cleaning, advertising, protective equipment, which totalled \$234K.
- Council ceased charging interest on overdue accounts and deferred the payment of outstanding rates and charges to 30 September 2020 in response to this crisis during March 2020.
- Financial impact till date from deferral of rates revenue/ interest free period is \$79K.
- At 30 June 2020 the outstanding rates and charges were \$845K greater compared to last financial year.
- There were no material impacts to any of the indicators.

Sustainable Capacity Indicators

For the year ended 30 June 2020

Service / <i>indicator</i> / [measure]	Results				Material variations
	2017	2018	2019	2020	
Population					
C1 <i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$1,361.84	\$1,485.99	\$1,447.84	\$1,644.48	No material variation.
C2 <i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$10,083.38	\$9,277.93	\$9,604.30	\$10,493.79	With an increasing population, the demands on infrastructure capital works is also going up proportionately, thereby reflecting a higher spend on infrastructure. In 2019/20, the net increase in property, infrastructure plant and equipment was \$30.4M leading to an increase in this indicator compared to prior years. This indicator is expected to increase for the next few years until our population reaches a much higher level and starts to bring the per capita result lower.
C3 <i>Population density per length of road</i> [Municipal population / Kilometres of local roads]	29.27	30.76	31.51	32.54	No material variation.
Own-source revenue					
C4 <i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$1,142.70	\$1,158.99	\$1,211.45	\$1,209.63	No material variation.

Service / <i>indicator</i> / [measure]	Results				Material variations
	2017	2018	2019	2020	
Recurrent grants					
C5 <i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$351.25	\$267.98	\$264.00	\$277.29	The change of \$13 is a combination of an increase in recurrent grants of \$1.08M or 9.26% recognised during 2019/20, and a population growth of 4.02%, compared with a population growth of 3.51% in 2018/19. In 2016/17, 2017/18 and 2018/19 Financial Assistance Grant funding was partially paid in advance which has the effect of substantially increasing the result in this area, when compared to a year (e.g. 2015/16) when no advance payment was received.
Disadvantage					
C6 <i>Relative Socio-Economic Disadvantage</i> [Index of Relative Socio-Economic Disadvantage by decile]	6	6	6	6	No material variation.
Workforce turnover					
C7 <i>Percentage of staff turnover</i> [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	18.41%	12.70%	14.86%	11.46%	Staff turnover has decreased by 3.4% in 2019/20 financial year to 11.46%. After a peak in 2015/16, the implementation of the One Mitchell positive culture project in 2016/17 financial year has resulted in numerous benefits and improvements across the organisation, and this continues to positively influence our turnover rate. Stability within the Leadership Team has improved the organisation's capacity to respond to issues and reinforce the positive reasons why staff have chosen to make a difference at Mitchell Shire Council.

Definitions

“adjusted underlying revenue” means total income other than —

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

“infrastructure” means non-current property, plant and equipment excluding land.

“local road” means a sealed or unsealed road for which the council is the responsible road authority under the Road Management Act 2004.

“population” means the resident population estimated by council.

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

“relative socio-economic disadvantage”, in relation to a municipality, means the relative socio-economic disadvantage, expressed as a decile for the relevant financial year, of the area in which the municipality is located according to the Index of Relative Socio-Economic Disadvantage (Catalogue Number 2033.0.55.001) of SEIFA.

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

“unrestricted cash” means all cash and cash equivalents other than restricted cash.

Service Performance Indicators

For the year ended 30 June 2020

Service / <i>indicator</i> / [measure]	Results				Material variations
	2017	2018	2019	2020	
Aquatic facilities					
Utilisation					
AF6 <i>Utilisation of aquatic facilities</i>	5.81	5.53	3.95	3.85	No material variation.
[Number of visits to aquatic facilities / municipal population]					
Animal management					
Health and safety					
AM7³ <i>Animal management prosecutions</i>	New in 2020	New in 2020	New in 2020	100%	No material variation as this is a new indicator this financial year.
[Number of successful animal management prosecutions / total prosecutions]					
Food safety					
Health and safety					
FS4 <i>Critical and major non-compliance outcome notifications</i>	100.00%	100.00%	100.00%	100.00%	No material variation.
[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					

³ This is a new indicator from 2020 and replaces AM1 as detailed on page 165

Service / <i>indicator</i> / [measure]	Results				Material variations
	2017	2018	2019	2020	
Governance					
Satisfaction					
G5 <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]	46	50	52	49	No material variation.
Libraries					
Participation					
LB4 <i>Active library members</i> [Number of active library members / Municipal population] x100	11.80%	12.16%	11.00%	10.90%	No material variation.
Maternal and child health					
Participation					
MC4 <i>Participation in the MCH service</i> [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	76.74%	77.29%	76.48%	77.02%	No material variation.
MC5 <i>Participation in the MCH service by Aboriginal children</i> [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	74.80%	89.02%	82.33%	85.71%	No material variation.
Roads					
Satisfaction					
R5 <i>Satisfaction with sealed local roads</i> [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	38	43	47	46	No material variation.

Service/indicator[measure]	Results				Material variations
	2017	2018	2019	2020	
Statutory Planning					
<i>Decision making</i>					
SP4 Council planning decisions upheld at VCAT	100.00%	33.33%	25.00%	100.00%	In 2016/17, 2 of 2 decisions were upheld at VCAT, in 2017/18 1 of 3 were upheld. In 2018/19 2 of 8 were upheld.
[Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100					Now in 2019/20, 2 of 2 decisions were upheld.
					As in previous years, any change in the results of such a small number of decisions has a significant impact on our % result.
Waste Collection					
<i>Waste diversion</i>					
WC5 Kerbside collection waste diverted from landfill	33.05%	32.88%	32.75%	31.46%	No material variation.
[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100 ⁴					

⁴ As Mitchell Shire Council does not collect them, green organics are excluded from this indicator.

Definitions

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

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

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

"annual report" means an annual report prepared by a council under sections 131, 132 and 133 of the Act

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

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

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

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

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

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

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

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

"population" means the resident population estimated by council

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

Financial Performance Indicators

For the year ended 30 June 2020

Dimension / <i>indicator</i> / <i>measure</i>	Results				Forecasts ⁵				Material variations
	2017	2018	2019	2020	2021	2022	2023	2024	
Efficiency									
E2 <i>Expenses per property assessment</i> [Total expenses / Number of property assessments]	\$2,909.68	\$3,179.65	\$3,013.44	\$3,444.59	\$3,120.00	\$3,170.00	\$3,193.00	\$3,202.00	This result has increased from 2018/19 due to growth in property assessments of 4.76% being lower than the percentage increase in expenditure for the 2019/20 financial year. Many things have impacted on this result, including an increase in net loss on disposal of assets (\$1.69M from 2018/19).
E4⁶ <i>Average rate per property assessment</i> [General rates and Municipal charges / Number of property assessments]	New in 2020	New in 2020	New in 2020	\$1,804.77	\$1,455.00	\$1,435.00	\$1,414.00	\$1,394.00	No material variation as this is a new indicator this financial year.

⁵ Forecast data from Mitchell Shire Council Budget 2020/21

⁶ This is a new indicator from 2020 and replaces E1 as detailed on page 165

Dimension / <i>indicator</i> / <i>measure</i>	Results				Forecasts				Material variations
	2017	2018	2019	2020	2021	2022	2023	2024	
Liquidity									
Working capital									
L1 <i>Current assets compared to current liabilities</i>	257.32%	278.69%	382.12%	236.68%	284.80%	223.00%	266.40%	305.40%	Current assets will sufficiently cover Council operations and current liabilities. Current liabilities have increased from 2018/19 mainly with regards to unearned income and landfill provision. This has reduced the ratio, however, is still within the expected range of 100%-400%.
[Current assets / Current liabilities] x100									
Unrestricted cash									
L2 <i>Unrestricted cash compared to current liabilities</i>	108.10%	121.92%	-112.19%	-63.14%	110.90%	79.80%	87.40%	91.80%	Council's Unrestricted Cash does not take into account \$10.10M held in term deposit with a maturity date after 30 June 2021. Also, based on definitions per LGPRF, we have excluded Other Financial Assets (investments with maturities greater than 90 days totalling \$29M) from the Cash and Cash Equivalents resulting in a negative ratio.
[Unrestricted cash / Current liabilities] x100									

Dimension / <i>indicator</i> / <i>measure</i>	Results				Forecasts				Material variations
	2017	2018	2019	2020	2021	2022	2023	2024	
Obligations									
<i>Loans and borrowings</i>									
02 <i>Loans and borrowings compared to rates</i>	46.14%	39.51%	32.95%	26.35%	31.30%	35.90%	29.20%	25.50%	Council's current year's result of 26.35% is within the expected range for this measure as per the Council's Loan Borrowing Policy, which is 0 – 60%. There were no new borrowings during 2019/20.
[Interest bearing loans and borrowings / Rate revenue] x100									
03 <i>Loans and borrowings repayments compared to rates</i>	5.32%	6.24%	5.78%	5.32%	6.60%	6.60%	13.80%	6.20%	No new borrowings were taken out during 2019/20. Debt servicing costs are in line with current loan borrowing schedules. This ratio peaks in 2022/23 due to a scheduled loan payout.
[Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100									

Dimension / <i>indicator</i> / <i>measure</i>	Results				Forecasts				Material variations
	2017	2018	2019	2020	2021	2022	2023	2024	
<i>Indebtedness</i>									
04 <i>Non-current liabilities compared to own source revenue</i>	41.86%	31.60%	33.53%	33.22%	37.30%	31.60%	28.00%	24.30%	<p>When comparing prior financial year results to 2019/20, it needs to be noted that the 2019/20 result is skewed by the changes to accounting standard AASB16 regarding leases, an impact of \$1.74M. During the 2019/20 financial year, Council was able to increase its revenue from own sources by \$2.56M.</p> <p>This ratio result will fluctuate year on year depending on the level of borrowings utilised to deliver new and upgrade infrastructure for our community.</p>
[Non-current liabilities / Own source revenue] x100									
<i>Asset renewal and upgrade</i>									
05⁷ <i>Asset renewal and upgrade compared to depreciation</i>	New in 2020	New in 2020	New in 2020	95.18%	138.40%	75.70%	63.80%	78.50%	<p>Council's current year's result of 95.18% is within the expected range for this measure as per the Council's Adopted Budget, which is 90-110%.</p> <p>Over the forecasted years this is expected to drop below the expected range, however this is a continued area of focus for Council when developing the annual capital works program.</p>
[Asset renewal and upgrade expense / Asset depreciation] x100									

⁷ This is a new indicator from 2020 and replaces O1 as detailed on page 165

Dimension / <i>indicator</i> / <i>measure</i>	Results				Forecasts				Material variations
	2017	2018	2019	2020	2021	2022	2023	2024	
Operating position Adjusted underlying result OP1 <i>Adjusted underlying surplus (or deficit)</i> [Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100	12.19%	2.06%	11.71%	-2.22%	2.20%	3.00%	3.60%	4.90%	Prior year results have been impacted by one-off timing effects of the Financial Assistance Grant and grant funding received in advance relating to projects and program delivery during future financial years. These have not impacted on the 2019/20 result due to changes in how Council budgets for the Financial Assistance Grant and changes to accounting standard AASB15. The adjusted underlying result is an indicator of the sustainable operating result required to enable Council to continue to provide core services and meet its objectives. Council is focused on achieving a sustainable adjusted underlying surplus in the medium to long term.
Stability Rates concentration S1 <i>Rates compared to adjusted underlying revenue</i> [Rate revenue / Adjusted underlying revenue] x100 Rates effort S2 <i>Rates compared to property values</i> [Rate revenue / Capital improved value of rateable properties in the municipality] x100]	60.60%	62.19%	59.41%	63.48%	68.50%	68.10%	68.00%	67.90%	No material variation
	0.52%	0.54%	0.45%	0.42%	0.42%	0.43%	0.46%	0.49%	No material variation

Definitions

“adjusted underlying revenue” means total income other than—

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

“adjusted underlying surplus (or deficit)” means adjusted underlying revenue less total expenditure.

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

“current assets” has the same meaning as in the AAS.

“current liabilities” has the same meaning as in the AAS.

“non-current assets” means all assets other than current assets.

“non-current liabilities” means all liabilities other than current liabilities.

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

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

“population” means the resident population estimated by council.

“rate revenue” means revenue from general rates, municipal charges, service rates and service charges.

“recurrent grant” means a grant other than a non-recurrent grant.

“residential rates” means revenue from general rates, municipal charges, service rates and service charges levied on residential properties.

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

“unrestricted cash” means all cash and cash equivalents other than restricted cash

Retired measures		Results				Comments
<i>Service / indicator / measure</i>		2017	2018	2019	2020	
Animal Management						
<i>Health and safety</i>						
AM4	<i>Animal management prosecutions</i>	14	17	7	Retired in 2020	This measure was replaced by AM7 from 1 July 2019.
[Number of successful animal management prosecutions]						
Efficiency						
<i>Revenue level</i>						
E1	<i>Average residential rate per residential property assessment</i>	\$1,840.00	\$1,845.56	\$1,946.17	Retired in 2020	This measure was replaced by E4 from 1 July 2019.
[Residential rate revenue / Number of residential property assessments]						
Obligations						
<i>Asset renewal</i>						
O1	<i>Asset renewal compared to depreciation</i>	53.49%	61.40%	107.87%	Retired in 2020	This measure was replaced by O5 in 1 July 2019.
[Asset renewal expense / Asset depreciation] x100						

Other Information

For the year ended 30 June 2020

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 2020*, and the Local Government (Planning and Reporting) Regulations 2014.

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

The performance statement presents the actual results for the current year and for the prescribed financial performance indicators and measures, the results forecast by the council's strategic resource plan. The Local Government (Planning and Reporting) Regulations 2014 require explanation of any material variations outside of set thresholds in the results contained in the performance statement. These variations were received and noted by the Audit Committee on 21 May 2020.

The forecast figures included in the performance statement are those adopted by Council in its Strategic Resource Plan on 22 June 2020 and which forms part of the Council Plan. The Strategic Resource Plan includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General-Purpose Financial Statements. The Strategic Resource Plan is available on Council's website at www.mitchellshire.vic.gov.au or by contacting Council.

Certification of the Performance Statement

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



Laurie Ellis
Director Governance and Corporate Performance

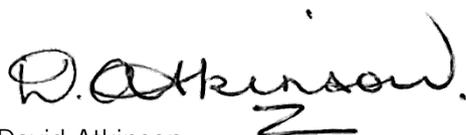
19 October 2020
Mitchell Shire Council, Broadford, VIC

In our opinion, the accompanying performance statement of the Mitchell Shire Council for the year ended 30 June 2020 presents fairly the results of Council's performance in accordance with the *Local Government Act 1989 and 2020* 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.



David Atkinson
Councillor

19 October 2020
Mitchell Shire Council, Broadford, VIC



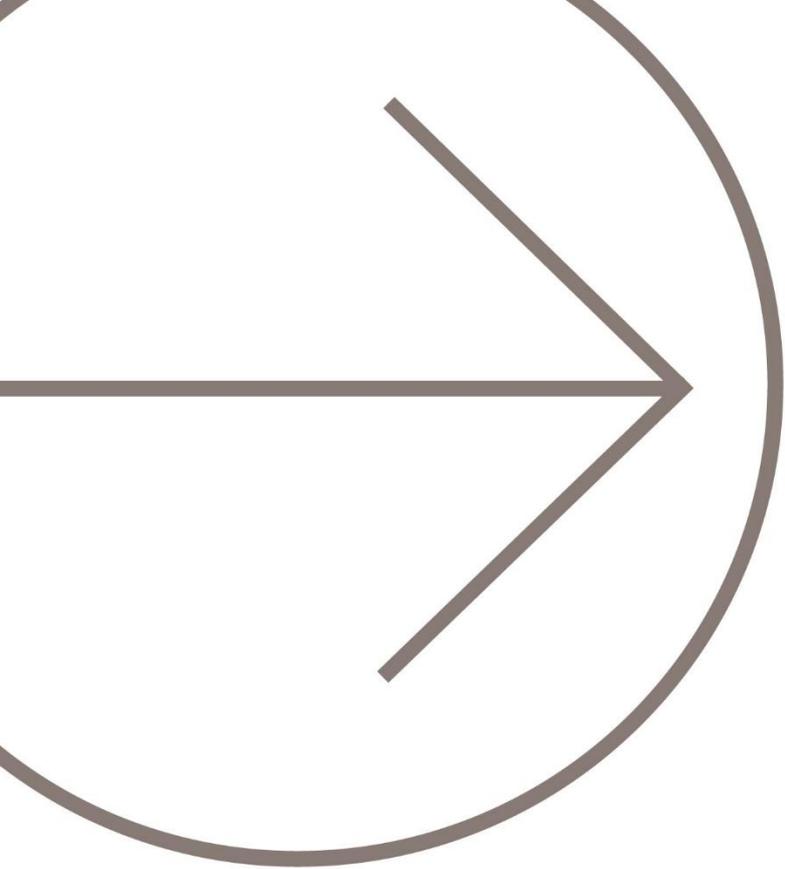
Bob Humm
Councillor

19 October 2020
Mitchell Shire Council, Broadford, VIC

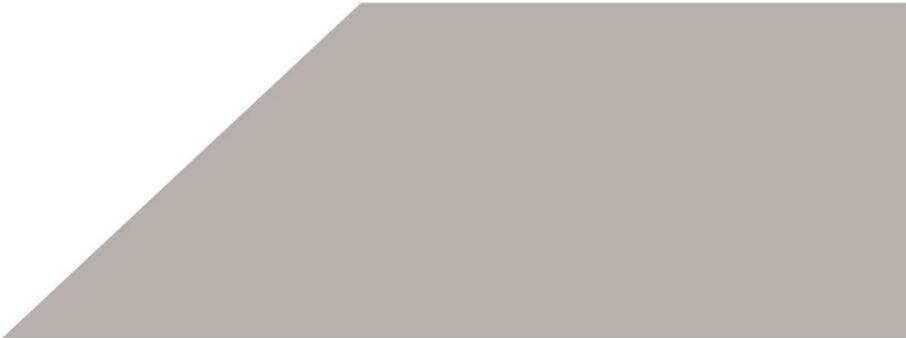


Brett Luxford
Chief Executive Officer

19 October 2020
Mitchell Shire Council, Broadford, VIC



FINANCIAL REPORT



Mitchell Shire Council

Annual Financial Report for the year ended 30 June 2020

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Overview

- (i) These financial statements are General Purpose Financial Statements and cover the consolidated operations for Mitchell Shire Council.
 - (ii) All figures presented in these financial statements are presented in Australian Currency.
 - (ii) These financial statements were authorised for issue by the Council on 19/10/20. Council has the power to amend and reissue these financial statements.
-

Mitchell Shire Council

Annual Financial Report for the year ended 30 June 2020

Certification of the Financial Statements

In my opinion the accompanying financial statements have been prepared in accordance with the *Local Government Act 1989*, the *Local Government (Planning and Reporting) Regulations 2014*, the Australian Accounting Standards and other mandatory professional reporting requirements.

Laurie Ellis

Principal Accounting Officer

Date : 19-October-2020

Mitchell Shire Council, Broadford VIC

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

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

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



David Atkinson

Councillor

Date : 19-October-2020

Mitchell Shire Council, Broadford VIC



Bob Humm

Councillor

Date : 19-October-2020

Mitchell Shire Council, Broadford VIC



Brett Luxford

Chief Executive Officer

Date : 19-October-2020

Mitchell Shire Council, Broadford VIC

Independent Auditor's Report

To the Councillors of Mitchell Shire Council

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



Sanchu Chummar

as delegate for the Auditor-General of Victoria

Mitchell Shire Council

Notes to the Financial Report

for the year ended 30 June 2020

Understanding Council's Financial Report

Introduction

Each year, individual local governments across Victoria are required to present a set of audited financial statements to their Council and community.

What you will find in the Report

The financial report sets out the financial performance, financial position and cash flows of Council for the financial year ended 30 June 2020.

The format of the financial report is standard across all Victorian Councils and complies with both the accounting and reporting requirements of Australian Accounting Standards and requirements as set down by Local Government Victoria.

About the Certification of the Financial Statements

The financial statements must be certified by senior staff and Councillors as "presenting fairly" the Council's financial results for the year as well as Council's financial position and are required to be adopted by Council - ensuring both responsibility for and ownership of the financial statements.

About the Primary Financial Statements

The financial statements incorporate 5 "primary" financial statements:

1. Comprehensive Income Statement

Summarises Council's financial performance for the year, listing all income & expenses.

Includes other comprehensive income which primarily records changes in the fair values of Council's property, infrastructure, plant and equipment.

2. Balance Sheet

A 30 June snapshot of Council's financial position indicating its assets, liabilities and "net wealth".

3. Statement of Changes in Equity

The overall change for the year (in dollars) of Council's "net wealth".

4. Statement of Cash Flows

Indicates where Council's cash came from and where it was spent.

5. Statement of Capital Works

This statement details all amounts expended by Council on capital works.

About the Notes to the Financial Report

The Notes to the financial statements provide greater detail and additional information on the 5 primary financial statements.

About the Auditor's Reports

Council's financial statements are required to be audited by the Victorian Auditor General's Office ('VAGO').

VAGO provides an audit report which gives an opinion on whether the financial statements present fairly the Council's financial performance and position.

Who uses the Financial Report?

The financial report is a publicly available document and is used by (but not limited to) Councillors, residents and ratepayers, employees, suppliers, contractors, customers, Local Government Victoria, state and federal governments, and financiers including banks and other financial institutions.

The financial statements must be presented at a Council meeting no later than 1 month after submitting the annual report to the Minister.

Mitchell Shire Council

Comprehensive Income Statement for the year ended 30 June 2020

\$ '000	Notes	2020	2019
Income			
Rates and charges	3.1	46,873	43,159
Statutory fees and fines	3.2	1,025	981
User fees	3.3	5,879	7,540
Grants - operating	3.4 (a)	13,649	15,123
Grants - capital	3.4 (b)	2,444	10,890
Contributions - monetary	3.5	3,722	3,642
Contributions - non monetary	3.5	17,461	20,609
Other income	3.7	1,965	1,986
Total income		93,018	103,930
Expenses			
Employee costs	4.1 (a)	28,546	25,970
Materials and services	4.2	27,658	22,561
Depreciation	4.3	12,478	11,190
Amortisation - right of use assets	4.4	690	-
Bad and doubtful debts	4.5	90	2
Borrowing costs	4.6	681	761
Finance costs - leases	4.7	101	-
Net loss on disposal of property, infrastructure, plant and equipment	3.6	3,734	1,939
Revaluation decrement	6.1	8	-
Other expenses	4.8	1,795	1,715
Total expenses		75,781	64,138
Surplus/(deficit) for the year		17,237	39,792
Other comprehensive income:			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation increment	6.1	39,186	13,532
Net asset revaluation increment on financial assets	5.1 (b)	120	-
Total other comprehensive income for the year		39,306	13,532
Total comprehensive result		56,543	53,324

Mitchell Shire Council

Balance Sheet

as at 30 June 2020

\$ '000	Notes	2020	2019
ASSETS			
Current assets			
Cash and cash equivalents	5.1 (a)	28,136	15,024
Trade and other receivables	5.1 (c)	7,913	8,647
Other financial assets	5.1 (b)	29,000	35,000
Inventories	5.2 (a)	150	176
Other assets	5.2 (b)	1,953	2,051
Total current assets		67,152	60,898
Non-current assets			
Other financial assets	5.1 (b)	10,125	4,005
Property, infrastructure, plant and equipment	6.1	541,164	483,852
Right-of-use assets	5.8 (a)	2,410	-
Intangible assets	5.2 (c)	156	773
Total non-current assets		553,855	488,630
TOTAL ASSETS		621,007	549,528
LIABILITIES			
Current liabilities			
Trade and other payables	5.3 (a)	5,210	6,245
Trust funds and deposits	5.3 (b)	5,226	3,627
Unearned income	5.3 (c)	7,908	-
Provisions	5.5	7,395	4,244
Interest-bearing liabilities	5.4	1,916	1,821
Lease liabilities	5.8 (b)	715	-
Total current liabilities		28,371	15,937
Non-current liabilities			
Provisions	5.5	6,294	5,592
Interest-bearing liabilities	5.4	10,484	12,400
Lease liabilities	5.8	1,739	-
Total non-current liabilities		18,517	17,992
TOTAL LIABILITIES		46,888	33,929
Net assets		574,119	515,599
EQUITY			
Accumulated surplus		322,211	308,979
Reserves	9.1	251,908	206,620
Total equity		574,119	515,599

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

Mitchell Shire Council

Statement of Changes in Equity
for the year ended 30 June 2020

\$ '000	Notes	Total	Accumulated Surplus	Revaluation Reserve	Other Reserves
2020					
Balance at beginning of the financial year		515,599	308,979	191,568	15,052
Other adjustments to opening balances	9.1 (c)	1,977	-	1,977	-
Adjusted Opening balance		517,576	308,979	193,545	15,052
a. Surplus/(deficit) for the year		17,237	17,237	-	-
b. Other comprehensive income					
- Net asset revaluation increment/(decrement)	6.1	39,186	-	39,186	-
- Revaluation increment on financial asset	5.1 (b)	120	-	120	-
Other comprehensive income		39,306	-	39,306	-
Total comprehensive income		56,543	17,237	39,306	-
c. Transfers to other reserves	9.1 (b)	-	(4,535)	-	4,535
d. Transfers from other reserves	9.1 (b)	-	530	-	(530)
Balance at end of the financial year		574,119	322,211	232,851	19,057

\$ '000	Notes	Total	Accumulated Surplus	Revaluation Reserve	Other Reserves
2019					
Balance at beginning of the financial year		462,275	270,969	178,036	13,270
a. Surplus/(deficit) for the year		39,792	39,792	-	-
b. Other comprehensive income					
- Net asset revaluation increment/(decrement)	6.1	13,532	-	13,532	-
Other comprehensive income		13,532	-	13,532	-
Total comprehensive income		53,324	39,792	13,532	-
c. Transfers to other reserves	9.1 (b)	-	(3,314)	-	3,314
d. Transfers from other reserves	9.1 (b)	-	1,532	-	(1,532)
Balance at end of the financial year		515,599	308,979	191,568	15,052

Mitchell Shire Council

Statement of Cash Flows

for the year ended 30 June 2020

\$ '000	Notes	2020 Inflows/ (Outflows)	2019 Inflows/ (Outflows)
Cash flows from operating activities			
Rates and charges		46,179	42,768
Statutory fees and fines		1,261	925
User fees		6,234	7,891
Grants - operating		15,684	13,680
Grants - capital		9,841	10,502
Contributions - monetary		3,722	3,710
Interest received		1,469	962
Trust funds and deposits taken		1,599	540
Other receipts		880	653
Net GST refund/payment		2,431	3,706
Employee costs		(24,957)	(25,048)
Materials and services		(31,356)	(29,340)
Short-term, low value and variable lease payments		(110)	-
Other payments		(2,225)	(2,354)
Net cash provided by/(used in) operating activities	9.2	30,652	28,595
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment		(15,477)	(19,966)
Proceeds from sale of property, infrastructure, plant and equipment		1,186	471
Proceeds from sale of investments		-	3,000
Net cash provided by/(used in) investing activities		(14,291)	(16,495)
Cash flows from financing activities			
Finance costs		(681)	(761)
Repayment of borrowings		(1,821)	(1,735)
Interest paid - lease liability		(101)	-
Repayment of lease liabilities		(646)	-
Net cash provided by/(used in) financing activities		(3,249)	(2,496)
Net increase (decrease) in cash and cash equivalents		13,112	9,604
Cash and cash equivalents at the beginning of the financial year		15,024	5,420
Cash and cash equivalents at the end of the financial year		28,136	15,024
Financing arrangements	5.6	15,284	14,471
Restrictions on cash assets	5.1	20,093	15,290

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

Mitchell Shire Council

Statement of Capital Works

for the year ended 30 June 2020

\$ '000	Notes	2020	2019
Property			
Land		92	22
Total land		92	22
Buildings		3,609	2,920
Total buildings		3,609	2,920
Total property		3,701	2,942
Plant and equipment			
Plant, machinery and equipment		2,990	2,458
Fixtures, fittings and furniture		492	175
Computers and telecommunications		1,082	1,032
Library books		190	191
Total plant and equipment		4,754	3,856
Infrastructure			
Roads		2,209	5,160
Bridges		447	538
Footpaths and cycleways		938	961
Drainage		219	277
Recreational, leisure and community facilities		3,170	1,623
Waste management		699	2,898
Parks, open space and streetscapes		990	1,736
Off street car parks		12	191
Other infrastructure		216	395
Total infrastructure		8,900	13,779
Total capital works expenditure		17,355	20,577
Represented by:			
New asset expenditure		5,291	4,745
Asset renewal expenditure		7,898	12,071
Asset expansion expenditure		193	-
Asset upgrade expenditure		3,973	3,761
Total capital works expenditure		17,355	20,577

Mitchell Shire Council

Notes to the Financial Report

for the year ended 30 June 2020

Overview

Introduction

The Mitchell Shire Council was established by an Order of the Governor in Council on 11 November 1994 and is a body corporate.

The Council's main office is located at 113 High Street, Broadford, 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, the *Local Government Act 1989*, and the *Local Government (Planning and Reporting) Regulations 2014*.

Significant accounting policies

(a) Basis of accounting

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

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

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

- (i) the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 6.1.)
- (ii) the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 6.1.).
- (iii) the determination of employee provisions (refer to Note 5.5.).
- (iv) the determination of landfill provisions (refer to Note 5.5.).
- (v) the determination of whether performance obligations are sufficiently specific so as to determine whether an arrangement is within the scope of *AASB 15 Revenue from Contracts with Customers* or *AASB 1058 Income of Not-for-Profit Entities* (refer to Note 3)
- (vi) the determination, in accordance with *AASB 16 Leases*, of the lease term, the estimation of the discount rate when not implicit in the lease and whether an arrangement is in substance short-term or low value (refer to Note 5.8)
- (vii) other areas requiring judgements
- (viii) the impact of COVID-19 pandemic (refer to Note 8.2)

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

Mitchell Shire Council

Notes to the Financial Report

for the year ended 30 June 2020

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Mitchell Shire Council

Notes to the Financial Report for the year ended 30 June 2020

Note 1. Performance against budget

The performance against budget notes compare Council's financial plan, expressed through its annual budget, with actual performance. The *Local Government (Planning and Reporting) Regulations 2014* requires explanation of any material variances. Council has adopted a materiality threshold of the lower of 10 percent or \$500k where further explanation is warranted. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

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

\$ '000	Budget 2020	Actual 2020	Variance 2020	Variance 2020 %	Ref
1.1. Income and expenditure					
Income					
Rates and charges	46,481	46,873	392	1%	
Statutory fees and fines	1,017	1,025	8	1%	
User fees	7,101	5,879	(1,222)	(17%)	1
Grants - operating	13,050	13,649	599	5%	2
Grants - capital	11,677	2,444	(9,233)	(79%)	3
Contributions - monetary	2,193	3,722	1,529	70%	4
Contributions - non monetary	10,000	17,461	7,461	75%	5
Other income	1,585	1,965	380	24%	6
Total income	93,104	93,018	(86)	(0%)	
Expenses					
Employee costs	28,417	28,546	(129)	(0%)	
Materials and services	22,439	27,658	(5,219)	(23%)	7
Depreciation	12,416	12,478	(62)	(0%)	
Amortisation - right of use assets	-	690	(690)	(100%)	8
Bad and doubtful debts	7	90	(83)	(1,186%)	9
Borrowing costs	758	681	77	10%	10
Finance costs - leases	-	101	(101)	(100%)	11
Net loss on disposal of property, infrastructure, plant and equipment	-	3,734	(3,734)	(100%)	12
Revaluation Decrement	-	8	(8)	(100%)	
Other expenses	1,681	1,795	(114)	(7%)	
Total expenses	65,718	75,781	(10,063)	(15%)	
Surplus/(deficit) for the year	27,386	17,237	(10,149)	(37%)	

Mitchell Shire Council

Notes to the Financial Report for the year ended 30 June 2020

Note 1. Performance against budget (continued)

1.1. Income and expenditure (continued)

Explanation of material variations

Item	Explanation
------	-------------

1. Income from user fees was \$1.2M lower than budget mainly due to the impact of COVID-19 on the closure of Leisure Centre services (\$689K) and the reduction in Kindergarten fees (\$89K) due to the State Government providing additional grant funding to Council to offer free kindergarten for Term 2 2020 (due to COVID-19).
2. Operating grant income was \$599K higher than budget mainly due to unbudgeted funding received relating to natural disaster emergency and restoration works (\$388K) and funding provided by the State Government to subsidise Council being able to offer free kindergarten for Term 2 2020 (\$164K).
3. Capital grant income was \$9.23M lower than budget due to grants received in advance for 2020-2021 capital works (\$7.05M) mainly comprising of Kilmore rejuvenation – Sydney street (\$2.4M), Taylors creek shared path (\$1.66M), Kilmore East Road Intersection construction (\$780K), Activation of Broadford Parks and Play Spaces (\$694K), Kilmore East and O'Gradys road intersection upgrade (\$585K) and White Street Kilmore – Formalisation of Road Carriageway (\$575K) and identified carry forward income (\$3.96M) into 2020-2021. This is offset by successful grant applications throughout the financial year (\$154K) that weren't budgeted for and reduced finalised carry forward grant income from 2018-2019 (\$151K) which was forecasted for 2019-2020 as we were still entitled to this income.
4. Monetary Contributions were \$1.53M higher than budgeted due to additional development contributions as a result of strong growth in the south of the shire.
5. Non-monetary contributions represent assets such as roads, drains and open space, transferred to Council from developers. It is difficult to estimate the value and timing of these contributions. In 2019-2020 transferred assets were \$7.46M higher than budget. This is mainly due to more developments reaching completion during the year than expected in the budget.
6. Other income was higher than budget by \$380K. This was mainly due to higher interest from investments received during the year at \$369K.
7. Materials and services expenditure were \$5.2M higher than budgeted mainly due to:
 - \$648K increased legal costs primarily relating to contract disputes and VCAT hearings;
 - \$429K emergency and restoration works expenditure as a result of natural disasters, which is offset by additional grant income received for the works;
 - \$308K increase in road maintenance related to drainage, sealed roads, grading, emergency response and after hours.
 - \$234K related to COVID-19 costs including additional cleaning services and products, advertising, protective equipment etc;
 - \$2.84M increase in the estimated costings to rehabilitate Council's existing landfill sites used to estimate the landfill rehabilitation provision;
 - \$885k on landfill rehabilitation costs not previously provided for in the landfill restoration provision.
8. Amortisation of right of use assets represents utilisation of the value of leased assets over the life of the lease. This is the first year of application of AASB 16 *Leases* and the variance is because the amortisation of right of use assets was not budgeted, however this is accounted for in the 2020-21 Adopted Budget and Strategic Resource Plan.
9. Bad and doubtful Debts are estimated on an expected loss model based on actual costs over the past years. Requirements of AASB 9 *Financial Instruments* necessitate that expected losses are calculated at the time of creating the debts which has resulted in a higher than budgeted bad debts expense.

Mitchell Shire Council

Notes to the Financial Report for the year ended 30 June 2020

Note 1. Performance against budget (continued)

1.1. Income and expenditure (continued)

Explanation of material variations

Item	Explanation
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- | | |
|-----|---|
| 10. | Borrowings costs are lower due to reduced levels of debt as a result of delayed borrowings during 2019-2020. |
| 11. | Finance costs for leases relates to the introduction of the new accounting standard AASB 16 <i>Leases</i> effective for periods beginning on or after 1 January 2019. During 2019-2020, the budget did not reflect these changes in recording and reporting, however this is accounted for in the 2020-2021 Adopted Budget and Strategic Resource Plan. |
| 12. | Gain/(Loss) on disposal of assets is budgeted at \$0. It is assumed that the book value of the assets to be sold are a reasonable estimate of sale proceeds. However, the year end result shows a loss on disposal of assets of \$3.73M, primarily relating to a land assets reconciliation carried out during the year resulting in land being written off that was not owned by Council \$3.58M |

Mitchell Shire Council

Notes to the Financial Report
for the year ended 30 June 2020

Note 1. Performance against budget (continued)

\$ '000	Budget 2020	Actual 2020	Variance 2020	Variance %	Ref
1.2. Capital works					
Property					
Land	-	92	92	0.00%	1
Total land	-	92	92	0.00%	
Buildings	5,037	3,609	(1,428)	(28.35%)	2
Total buildings	5,037	3,609	(1,428)	(28.35%)	
Total property	5,037	3,701	(1,336)	(26.52%)	
Plant and equipment					
Plant, machinery and equipment	1,517	2,990	1,473	97.10%	3
Fixtures, fittings and furniture	482	492	10	2.07%	
Computers and telecommunications	869	1,082	213	24.51%	4
Library books	180	190	10	5.56%	
Total plant and equipment	3,048	4,754	1,706	55.97%	
Infrastructure					
Roads	9,750	2,209	(7,541)	(77.34%)	5
Bridges	1,419	447	(972)	(68.50%)	6
Footpaths and cycleways	2,635	938	(1,697)	(64.40%)	7
Drainage	155	219	64	41.29%	
Recreational, leisure and community facilities	4,197	3,170	(1,027)	(24.47%)	8
Waste management	5,450	699	(4,751)	(87.17%)	9
Parks, open space and streetscapes	2,906	990	(1,916)	(65.93%)	10
Off street car parks	135	12	(123)	(91.11%)	
Other infrastructure	570	216	(354)	(62.11%)	11
Total infrastructure	27,217	8,900	(18,317)	(67.30%)	
Total capital works expenditure	35,302	17,355	(17,947)	(50.84%)	
Represented by:					
New asset expenditure	17,822	5,291	(12,531)	(70.31%)	
Asset renewal expenditure	10,110	7,898	(2,212)	(21.88%)	
Asset expansion expenditure	7,270	193	(7,077)	(97.35%)	
Asset upgrade expenditure	100	3,973	3,873	3,873%	
Total capital works expenditure	35,302	17,355	(17,947)	(50.84%)	

Mitchell Shire Council

Notes to the Financial Report

for the year ended 30 June 2020

Note 1. Performance against budget (continued)

1.2. Capital works (continued)

Explanation of material variations

Item	Explanation
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In summary most variances between the actuals and the budgets are impacted by:

- an increase to the budgeted works due to finalised carried forward projects from the 2018-2019 financial year;
- successful capital grant applications made during the year; and
- a reduction due to projects carried forward into 2020-2021.

Detailed forecast changes and information can be seen in the Quarterly Finance Reports provided to Council that are publicly available.

1. The \$92K variance is mainly due to strategic land being purchased during the year which was not budgeted. This will be mostly funded from borrowings to be drawn down on in 2020-2021.
2. The \$1.43M variance is mainly due to:
 - identified carry forward expenditure into 2020-2021 of \$2.73M for Wallan East Portable Kindergarten (\$1.26M), Kinds Park, Seymour – Agriculture Pavilion (\$402K), Wallan Youth Hub \$316K, Wallan East Portable Kindergarten – Carpark and associated works (\$200K), Tallarook Hall Rebuild (\$152K), Marie Williams Kindergarten – Structural Defects (\$149K), Keith Street Demolition (\$134K), Greater Beveridge Community Centre (\$117K); offset by
 - additional carry forward expenditure from 2018-2019 of \$122K; and
 - additional expenditure of \$270K mostly relating to the strategic land purchase, the Upper Plenty Shack and the Tallarook Hall Rebuild projects, both related to insurance claims.
 - additional expenditure of \$878k on a purchase that was not budgeted during the year.
3. The \$1.47M variance is mainly due to:
 - an identified carried forward from 2018-2019 for the purchase of a landfill compactor (\$1.06M);
 - additional expenditure linked to the replacement of stolen or damaged plant items (\$135K);
 - additional expenditure linked to greater than anticipated income received through plant sales of (\$163K); and
 - additional expenditure linked to greater than anticipated income received through fleet sales (\$129K).
4. The \$213K variance is mainly due to:
 - additional carried forward expenditure from 2018-2019 of \$194K; offset by
 - identified carry forward expenditure into 2020-2021 of \$285K;
 - additional expenditure linked to grant funding of \$101K for Working for Victoria device purchases; and
 - additional expenditure of \$186K mostly relating to the new hardware purchases and investment in the Customer Request Management project.
5. The \$7.54M variance is mainly due to:
 - identified carry forwards into 2020-2021 of \$9.44M made up of Sealed Roads Program (\$2.3M), Kilmore East and O'Grady's Road – Intersection Upgrade (\$1.22M), Patterson Street, Beveridge – Roadway Construction (\$1.21M), Conway Street, Kilmore – Road and Safety Upgrades (\$1.15M), Wellington Street, Wallan – Road Upgrade (\$1.07M), White Street, Kilmore – Carriageway Upgrade (\$869K), Kerb and Channel Renewal Program (\$483K), Blackspot, Broadford-Wandong Road – Safety Barriers (\$331K), Kilmore East Road, Kilmore East – Road Lowering (\$226K), Broadford Wandong Road – Rehabilitation Works (\$189K) and Main Road, Tallarook – Primary School Streetscape (\$171K); offset by
 - additional carried forward expenditure from 2018-2019 of \$530K;

Mitchell Shire Council

Notes to the Financial Report

for the year ended 30 June 2020

Note 1. Performance against budget (continued)

1.2. Capital works (continued)

Explanation of material variations

Item	Explanation
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- | | |
|-----|---|
| | <ul style="list-style-type: none"> - additional expenditure of \$1.24M related to the Wallan Town Redevelopment and Conway Street projects; and - additional expenditure linked to Blackspot grants funding of \$428K. |
| 6. | The \$972K variance is mainly due to deferral of the Kilmore East Road project and the Bridge Renewal Program to the 2020-2021 capital works program development (\$289K), as well as identified carry forward expenditure into 2020-2021 of \$687K for Kilmore Creek Pedestrian Bridge (\$650K) and Old Goulburn River Bridge (\$37K). |
| 7. | <p>The \$1.70M variance is mainly due to:</p> <ul style="list-style-type: none"> - identified carry forward expenditure into 2020-2021 of \$1.41M comprising of Windham Street Wallan (\$537K), footpaths and cycleways renewal program (\$400K) and Lions Park Broadford (\$201K); and - savings of \$205K for projects completed compared to the budgeted costs; - a reallocation of expenditure to a road construction project of \$136K; offset by - additional carry forward expenditure from 2018-2019 of \$181K. |
| 8. | <p>The \$1.02M variance is mainly due to:</p> <ul style="list-style-type: none"> - identified carry forward expenditure into 2020-2021 of \$1.78M which includes Harley Hammond Reserve, Broadford \$1,120K), Wandong Kindergarten – Playground accessibility improvement (\$193K), Chittick park – outdoor youth space (\$133K) and Greenhill Reserve, Wallan netball lights (\$107K); and - \$75K being deferred to the 2020-2021 capital works program development; offset by - additional carry forwards of \$155K from 2018-2019 - additional expenditure linked to grant funding of \$194K - additional expenditure funded through reserves of \$176K - additional expenditure of \$87K mostly related to JJ Clancy Tennis Enclosure construction; and - transfers from operating budgets of \$87K due to nature of expenditure. |
| 9. | The \$4.75M variance is due to identified carry forward expenditure into 2020-2021 of \$5.27M, offset by additional carried forward expenditure from 2018-2019 of \$470K. The majority of the carry forwards relate to Land purchase in the South not yet finalised, and landfill capping expenditure on hold through a contractual dispute. |
| 10. | <p>The \$1.92M variance is mainly due to:</p> <ul style="list-style-type: none"> - identified carry forward expenditure into 2020-2021 of \$1.13M mainly for Activating Ryan's Creek Reserve – Kilmore (\$715K), Wallan Town Heart (\$133K), Sydney Street Kilmore - Rejuvenation (\$81K) and - a reallocation of expenditure to a road construction project of \$1.10M, offset by - additional carry forwards of \$208K from 2018-2019; and - additional expenditure linked to grant funding of \$150K for Taylors Creek (\$50K) and Sydney Street (\$100K) |
| 11. | The \$354K variance is mainly due to identified carry forward expenditure into 2020-2021 of \$177K offset by reductions to the program due to classification of expenditure being operating in nature \$260K. |

Mitchell Shire Council

Notes to the Financial Report

for the year ended 30 June 2020

Note 2(a). Analysis of Council results by program

Council delivers its functions and activities through the following programs.

Information and business transformation

This service delivers appropriate and cost effective technology, which supports Mitchell Shire Council and its employees in delivering services to the community.

Communications, jobs and investment

This service is responsible for:

- assisting Economic Development by supporting local businesses and tourism operators as well as regional tourism and marketing. The service also coordinates tourism and business support events, and operates the Seymour Visitor Information Centre; and
- oversees all public communications activities associated with Council.

Community strengthening

This service is responsible for:

- Children Services;
- Community Development, Positive Ageing and Social Justice;
- Emergency Management;
- MCH and immunisations;
- Social Policy and Partnerships; and
- Youth Services.

Development approvals

This service processes statutory planning applications, building approvals and also provides control and compliance under the relevant legislation.

Engineering and major projects

This service is responsible for:

- the coordination, monitoring, reporting and delivery of Council's annual capital works program;
- ensuring Council's buildings and facilities remain safe and fit for occupation, and that ongoing regulatory building compliance is achieved; and
- ensuring infrastructure assets constructed as part of new developments are fit for purpose and constructed to Council's standards.

Environmental sustainability

This service is responsible for conservation and achieving an environmentally healthy and sustainable Council including environmental planning, community planting and encouraging sustainable resource management.

Finance and assets

This service is responsible for:

- financial services such as financial accounting, management accounting, and accounts payable services. The costs include corporate expenses such as interest on borrowings, bad debt write off, and the payment of fire services levy charged on Council properties; and
- the maintenance of data relating to the economic lifecycle of all Council owned infrastructure assets, and the management of Council owned properties.

Mitchell Shire Council

Notes to the Financial Report for the year ended 30 June 2020

Note 2(a). Analysis of Council results by program (continued)

Council delivers its functions and activities through the following programs.

Governance and corporate accountability

This service:

- ensures that we meet our legislative responsibilities by providing an ethical basis for good governance which facilitates informed and transparent decision making;
- is responsible for the management, maintenance and disposal of all corporate information according to government legislation, Council strategy, policy, established procedures, and business rules; and
- includes the Mayor, Councillors, and the Chief Executive Officer and associated support.

Liveable communities

This service is responsible for:

- Customer and Library Services;
- Leisure Centres; and
- Recreation and Open Space.

Local laws

This service:

- is an educational and enforcement team responsible for animal management, parking management, asset protection, local laws and environmental health service across the Shire;
- fire prevention activities and community education; and
- provides school crossing services across the municipality.

Operations and parks

This service is responsible for:

- the maintenance of the Shire's infrastructure assets. It includes roads, footpaths, bridges, drainage, street furniture and depreciation. It also manages Council's plant and vehicle fleet; and
- maintaining parks and gardens, playgrounds and sportsfields and managing arboriculture, and roadside fire prevention.

People and culture

This service is responsible for:

- human resources, learning and development, employee relations, human resource services and payroll; and
- ensures a safe workplace and good risk management processes; and to provide services with a fair and consistent application of legislation and processes to ensure that employees and community enjoy a safe and sustainable environment.

Strategic planning

This service delivers positive land use planning outcomes for current and future generations as well as an environmentally healthy and sustainable Council. It is also responsible for Growth Area Planning.

Waste and resource recovery

The service is responsible for the management of Mitchell Landfill at Hilldene plus four resource recovery centres. This service also manages the kerbside waste and recycling collection service.

Mitchell Shire Council

Notes to the Financial Report
for the year ended 30 June 2020Note 2(b). Summary of revenues, expenses, assets and capital expenses
by program

Functions/activities	Income, expenses and assets have been directly attributed to the following functions/activities. Details of these functions/activities are provided in Note 2(a).				
	Income	Expenses	Surplus/ (Deficit)	Grants included in income	Total assets
	2020	2020	2020	2020	2020
Information and business transformation	186	3,975	(3,789)	101	–
Communications, jobs and investment	111	1,762	(1,651)	90	–
Community strengthening	3,957	7,162	(3,205)	3,568	–
Development approvals	1,074	1,863	(789)	–	–
Engineering and major projects	886	2,963	(2,077)	8	–
Environmental sustainability	66	683	(617)	47	–
Finance and assets	75,786	9,942	65,844	6,288	141,693
Governance and corporate accountability	7	1,801	(1,794)	–	83,141
Liveable communities	3,092	8,840	(5,748)	705	23,865
Local laws	1,719	2,787	(1,068)	135	–
Operations and parks	5,022	18,763	(13,741)	4,805	366,464
People and culture	7	1,759	(1,752)	–	–
Strategic planning	69	1,592	(1,523)	57	–
Waste and resource recovery	1,036	11,889	(10,853)	185	5,844
Total functions and activities	93,018	75,781	17,237	16,093	621,007

Functions/activities	Income, expenses and assets have been directly attributed to the following functions/activities. Details of these functions/activities are provided in Note 2(a).				
	Income	Expenses	Surplus/ (Deficit)	Grants included in income	Total assets
	2019	2019	2019	2019	2019
Information and business transformation	58	2,944	(2,886)	50	–
Communications, jobs and investment	97	1,311	(1,214)	91	–
Community strengthening	7,593	6,206	1,387	6,593	–
Development approvals	1,177	1,607	(430)	–	–
Engineering and major projects	1,002	2,660	(1,658)	–	–
Environmental sustainability	35	661	(626)	31	–
Finance and assets	74,712	9,016	65,696	5,947	199,121
Governance and corporate accountability	12	1,901	(1,889)	–	2,562
Liveable communities	4,748	7,341	(2,593)	2,541	11,624
Local laws	1,657	2,710	(1,053)	152	–
Operations and parks	10,297	18,062	(7,765)	10,144	328,884
People and culture	82	1,761	(1,679)	–	–
Strategic planning	341	1,256	(915)	268	–
Waste and resource recovery	2,119	6,702	(4,583)	196	7,337
Total functions and activities	103,930	64,138	39,792	26,013	549,528

Mitchell Shire Council

Notes to the Financial Report for the year ended 30 June 2020

Note 3. Funding for the delivery of our services

\$ '000	2020	2019
3.1. Rates and charges		
<p>Council uses capital improved value as the basis of valuation of all properties within the municipal district. The capital improved value of a property is the amount which that property might be expected to realise at the time of valuation if offered for sale on reasonable terms and conditions.</p> <p>The valuation base used to calculate general rates for 2019/20 was \$10,789 million (2018/19: \$9,153 million).</p>		
	2019-2020	2018-2019
	cents in the dollar	cents in the dollar
General Rates	0.2851	0.3143
Vacant / Subdivisional	0.5702	0.6286
Rural Agricultural 40-100ha	0.2566	0.2829
Rural Agricultural >100ha	0.2281	0.2514
Vacant Commercial / Vacant Industrial	0.6842	0.7229
General rates	32,066	29,998
Municipal charge	6,560	6,146
Waste management charge	6,932	5,578
Supplementary rates and rate adjustments	1,079	1,131
Interest on rates and charges	236	306
Total rates and charges	46,873	43,159

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

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

3.2. Statutory fees and fines

Infringements and costs	543	422
Town planning fees	482	559
Total statutory fees and fines	1,025	981

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

Mitchell Shire Council

Notes to the Financial Report for the year ended 30 June 2020

Note 3. Funding for the delivery of our services (continued)

\$ '000	Notes	2020	2019
3.3. User fees			
Aged services fees		1	1
Leisure centre fees		1,958	1,949
Building services fees		503	554
Waste management services		659	1,878
Design and supervision fees		883	977
Kindergarten fees		205	387
Library fees and fines		55	59
Animal registration fees and fines		469	500
Ex gratia revenue		190	192
Environmental health fees		168	179
Legal fees recovered		98	127
Other fees and charges		690	737
Total user fees		5,879	7,540

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

Mitchell Shire Council

Notes to the Financial Report
for the year ended 30 June 2020

Note 3. Funding for the delivery of our services (continued)

\$ '000	Notes	2020	2019
3.4. Funding from other levels of government			
Grants were received in respect of the following:			
Summary of grants			
Commonwealth funded grants		9,439	8,871
State funded grants		6,654	17,142
Total grants received		16,093	26,013
(a) Operating Grants			
Recurrent - Commonwealth Government			
Financial Assistance Grants - general purpose funding		6,056	5,754
Financial Assistance Grants - roads funding		2,068	1,840
Aged and disability services		29	29
Community development		14	14
Public health		4	3
Road maintenance		48	48
Recurrent - State Government			
Community development		68	52
Emergency management		85	94
Library and customer services		312	311
Public health		623	669
Youth services		24	30
Waste management		-	1
Childrens services		2,263	2,017
Total recurrent operating grants		11,594	10,862
Non-recurrent - Commonwealth Government			
Environmental Programs		6	-
Non-recurrent - State Government			
Emergency management		1,198	2,808
Aged and disability services		1	3
Children services		376	176
Community development		100	362
Environmental programs		5	38
Local laws		18	25
Recreation and open space		30	222
Strategic planning		70	385
Waste management		30	38
Youth services		32	65
Public health		73	57
Economic development and tourism		116	82
Total non-recurrent operating grants		2,055	4,261
Total operating grants		13,649	15,123

Mitchell Shire Council

Notes to the Financial Report
for the year ended 30 June 2020

Note 3. Funding for the delivery of our services (continued)

\$ '000	Notes	2020	2019
3.4. Funding from other levels of government (continued)			
(b) Capital Grants			
Recurrent - Commonwealth Government			
Roads to recovery		1,174	823
Recurrent - State Government			
Libraries		10	10
Total recurrent capital grants		1,184	833
Non-recurrent - Commonwealth Government			
Roads to recovery		-	360
Recreation leisure and community		40	-
Non-recurrent - State Government			
Drainage		195	-
Waste management		125	123
Youth Services		2	-
Libraries		7	-
Bridges		125	130
Buildings		39	1,303
Parks, open space and streetscapes		194	3,193
Footpaths and kerb and channel		-	920
Recreation leisure and community		279	1,289
Road safety projects		-	792
Roads		6	1,331
Early years		135	509
Transport development		12	57
Other		101	50
Total non-recurrent capital grants		1,260	10,057
Total capital grants		2,444	10,890
(c) Unspent grants received on condition that they be spent in a specific manner:			
Operating			
Balance at start of year		1,122	546
Received during the financial year and remained unspent at balance date		862	922
Received in prior years and spent during the financial year		(690)	(346)
Balance at year end		1,294	1,122
Capital			
Balance at start of year		7,937	5,826
Received during the financial year and remained unspent at balance date		7,046	7,099
Received in prior years and spent during the financial year		(3,748)	(4,988)
Balance at year end		11,235	7,937

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

Mitchell Shire Council

Notes to the Financial Report
for the year ended 30 June 2020

Note 3. Funding for the delivery of our services (continued)

\$ '000	Notes	2020	2019
3.5. Contributions			
Monetary contributions			
Community development		375	298
Recreational land		256	228
Contributions to infrastructure works		2,774	2,541
Capital works project contributions		164	500
Other		153	75
Total monetary contributions		3,722	3,642
Non-monetary contributions			
Land under roads		714	931
Roads		6,781	8,787
Footpaths		2,405	4,064
Bridges		3,418	318
Drainage		4,143	5,904
Recreation		-	525
Parks, open space		-	80
Total non-monetary contributions		17,461	20,609
Total contributions		21,183	24,251
<i>Contributions of non monetary assets were received in relation to the following asset classes.</i>			
Land		714	931
Roads		6,781	8,787
Other infrastructure		9,966	10,891
Total non-monetary contributions		17,461	20,609

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

Mitchell Shire Council

Notes to the Financial Report for the year ended 30 June 2020

Note 3. Funding for the delivery of our services (continued)

\$ '000	Notes	2020	2019
3.6. Net gain/(loss) on disposal of property, infrastructure, plant and equipment			
Land and buildings			
Proceeds of sale		445	86
Written down value of assets disposed		(3,957)	(351)
Total net gain/(loss) on disposal of Land and buildings		(3,512)	(265)
Plant and equipment			
Proceeds of sale		741	385
Written down value of assets disposed		(505)	(121)
Total net gain/(loss) on disposal of Plant and equipment		236	264
Infrastructure Assets			
Proceeds of sale		-	-
Written down value of assets disposed		(458)	(1,938)
Total net gain/(loss) on disposal of Infrastructure Assets		(458)	(1,938)
Total net gain/(loss) on disposal of property, infrastructure, plant and equipment		(3,734)	(1,939)

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

3.7. Other income

Interest	1,119	1,075
Other rent	287	246
Reimbursements	473	590
Fuel rebate	86	75
Total other income	1,965	1,986

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.

Mitchell Shire Council

Notes to the Financial Report for the year ended 30 June 2020

Note 4. The cost of delivering services

\$ '000	Notes	2020	2019
4.1. (a). Employee costs			
Wages and salaries		23,491	20,947
WorkCover		191	208
Casual staff		2,157	2,368
Superannuation		2,255	2,078
Fringe benefits tax		313	294
Other		139	75
Total employee costs		28,546	25,970

4.1. (b). Superannuation

Council made contributions to the following funds:

Defined benefit fund

Employer contributions to Local Authorities Superannuation Fund (Vision Super)		111	108
		111	108

Accumulation funds

Employer contributions to Local Authorities Superannuation Fund (Vision Super)		1,367	1,372
Employer contributions - other funds		777	598
		2,144	1,970
Total superannuation costs		2,255	2,078

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

Mitchell Shire Council

Notes to the Financial Report for the year ended 30 June 2020

Note 4. The cost of delivering services (continued)

\$ '000	Notes	2020	2019
4.2. Materials and services			
Utilities		1,604	1,451
Information technology		1,727	1,486
Insurance		738	646
Contractors and consultants		14,677	13,093
Expenses from short term leases		107	-
Expenses from leases of low value assets		3	-
Landfill rehabilitation costs		2,841	-
Materials		2,155	2,475
Motor vehicles		1,653	1,395
Lease payments		-	309
Education and training		359	381
General expenses		1,794	1,325
Total materials and services		27,658	22,561
4.3. Depreciation			
Property			
Heritage buildings		2	4
Buildings - specialised		43	137
Buildings - non specialised		626	888
Building improvements		117	130
Total depreciation - property		788	1,159
Plant and equipment			
Library books		175	208
Plant and machinery		774	733
Motor vehicles		782	564
Equipment and furniture		137	136
IT equipment		839	392
Total depreciation - plant and equipment		2,707	2,033

Mitchell Shire Council

Notes to the Financial Report
for the year ended 30 June 2020

Note 4. The cost of delivering services (continued)

\$ '000	Notes	2020	2019
4.3. Depreciation (continued)			
Infrastructure			
Roads		4,349	4,333
Bridges		412	581
Footpaths and cycleways		604	572
Drainage		1,352	813
Recreational, leisure and community		1,150	1,269
Waste management		960	334
Parks open spaces and streetscapes		106	44
Other infrastructure		50	52
Total depreciation - infrastructure		8,983	7,998
Total depreciation		12,478	11,190

Refer to note 5.2(c), 5.8 and 6.1 for a more detailed breakdown of depreciation and amortisation charges and accounting policy.

4.4. Amortisation - Right of use assets

Property		157	-
Vehicles		428	-
Other		105	-
Total Amortisation - Right of use assets		690	-

Mitchell Shire Council

Notes to the Financial Report for the year ended 30 June 2020

Note 4. The cost of delivering services (continued)

\$ '000	Notes	2020	2019
4.5. Bad and doubtful debts			
Rates debtors		-	2
Other debtors		90	-
Total bad and doubtful debts		90	2
Movement in provisions for doubtful debts			
Balance at the beginning of the year		106	138
New provisions recognised during the year		90	-
Amounts already provided for and written off as uncollectible		(72)	(32)
Balance at end of year		124	106

Provision for doubtful debt is recognised based on an expected credit loss model.

This model considers both historic and forward looking information in determining the level of impairment.

4.6. Borrowing costs

Interest - Borrowings		681	761
Total borrowing costs		681	761

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

4.7. Finance Costs - Leases

Interest - lease liabilities		101	-
Total finance costs		101	-

Mitchell Shire Council

Notes to the Financial Report for the year ended 30 June 2020

Note 4. The cost of delivering services (continued)

\$ '000	Notes	2020	2019
4.8. Other expenses			
Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals		47	51
Auditors' remuneration - internal audit		110	82
Councillors' allowances and superannuation		316	315
Electronic payment fees		40	39
Bank fees		101	110
Grants to community bodies		601	491
Landfill levy		562	608
Other		18	19
Total other expenses		1,795	1,715

Note 5. Our financial position

5.1. Financial assets

(a) Cash and cash equivalents

Current

Cash at bank and on hand	13,136	5,024
Term deposits	15,000	10,000
Total current cash and cash equivalents	28,136	15,024

Mitchell Shire Council

Notes to the Financial Report for the year ended 30 June 2020

Note 5. Our financial position (continued)

\$ '000	Notes	2020	2019
5.1. Financial assets (continued)			
(b) Other financial assets			
Current			
Term deposits		29,000	35,000
Total current other financial assets		29,000	35,000
Non-current			
Term deposits		10,000	4,000
Investment in Procurement Australasia Ltd		125	5
Total non-current other financial assets		10,125	4,005
External restrictions			
Councils cash and cash equivalents are subject to external restrictions that limit amounts available for discretionary use. These include:			
Trust funds and deposits	5.3	5,226	3,627
Reserve funds and deposits	9.1 (b)	14,867	11,663
Total restricted funds		20,093	15,290
Total unrestricted cash and cash equivalents		47,043	38,734
Intended allocations			
Although not externally restricted the following amounts have been allocated for specific future purposes by Council:			
Cash held to fund carried forward capital works		13,323	8,557
Unspent capital grants received in advance for 2020/21 capital works		11,339	7,923
Unspent grants (operating)		1,294	1,133
Council contributions relating to unspent grant projects		34	10
Cash held to fund strategic planning projects carried forward		42	142
Waste management reserve		3,563	3,100
Property proceeds reserve		615	273
Total funds subject to intended allocations		30,210	21,138

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.

Mitchell Shire Council

Notes to the Financial Report for the year ended 30 June 2020

Note 5. Our financial position (continued)

\$ '000	Notes	2020	2019
5.1. Financial assets (continued)			
(c) Trade and other receivables			
Current			
<i>Statutory receivables</i>			
Rates debtors		4,715	3,871
Goods and service tax paid		1,107	1,275
<i>Non-statutory receivables</i>			
Car park and footpath schemes		8	10
Sundry receivables		1,952	3,433
Infringement debtors		255	164
Provisions for doubtful debts			
Provision for doubtful debts - other debtors		(124)	(85)
Provision for doubtful debts - infringements		-	(21)
Total current trade and other receivables		7,913	8,647
Total trade and other receivables		7,913	8,647

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

(d) Ageing of Receivables

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

Current (not yet due)	1,268	2,901
Past due by up to 30 days	201	193
Past due between 31 and 180 days	567	269
Past due between 181 and 365 days	66	142
Past due by more than 1 year	113	102
Total trade and other receivables	2,215	3,607

Mitchell Shire Council

Notes to the Financial Report for the year ended 30 June 2020

Note 5. Our financial position (continued)

\$ '000	Notes	2020	2019
5.1. Financial assets (continued)			
(e) Ageing of individually impaired Receivables			
<p>At balance date, other debtors representing financial assets with a nominal value of \$2.339m (2019: \$3.712m) were impaired. The amount of the provision raised against these debtors was \$0.124m (2019: \$0.106m). They individually have been impaired as a result of their doubtful collection. Many of the long outstanding past due amounts have been lodged with Council's debt collectors or are on payment arrangements. With COVID-19 all debt collection is currently on hold until December 2020 when Council will reassess its position. No further doubtful debts are expected as the majority of debtors are for Rates and Charges</p> <p>The ageing of receivables that have been individually determined as impaired at reporting date was:</p>			
Current (not yet due)		-	-
Past due by up to 30 days		-	-
Past due between 31 and 180 days		48	20
Past due between 181 and 365 days		24	31
Past due by more than 1 year		52	55
Total trade and other receivables		124	106

5.2. Non-financial assets

(a) Inventories

Current

Inventories held for sale		26	17
Inventories held for own use		124	159
Total current inventories		150	176

Inventories held for distribution are measured at cost, adjusted when applicable for any loss of service potential. All other inventories, including land held for sale, are measured at the lower of cost and net realisable value. Where inventories are acquired for no cost or nominal consideration, they are measured at current replacement cost at the date of acquisition.

Mitchell Shire Council

Notes to the Financial Report
for the year ended 30 June 2020

Note 5. Our financial position (continued)

\$ '000	Notes	2020	2019
5.2. Non-financial assets (continued)			
(b) Other assets			
Current			
Prepayments		768	371
Accrued income		1,185	1,668
Other		-	12
Total current other assets		1,953	2,051
(c) Intangible assets			
Landfill air space		156	773
Total intangible assets		156	773
		Landfill air space	Total
Gross carrying amount			
Balance at 1 July 2019		1,993	1,993
Balance at 1 July 2020		1,993	1,993
Accumulated amortisation and impairment			
Balance at 1 July 2019		1,220	1,220
Amortisation expense		617	617
Balance at 1 July 2020		1,837	1,837
Net book value at 30 June 2019		773	773
Net book value at 30 June 2020		156	156

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.

Mitchell Shire Council

Notes to the Financial Report
for the year ended 30 June 2020

Note 5. Our financial position (continued)

\$ '000	Notes	2020	2019
5.3. Payables			
(a) Trade and other payables			
Current			
Trade payables		4,964	6,208
Accrued interest		38	37
Accrued salaries and wages		208	-
Total current trade and other payables		5,210	6,245
(b) Trust funds and deposits			
Current			
Fire services levy		734	461
Other refundable deposits		66	71
Refundable crossing deposits		127	90
Refundable contract retentions		251	162
Refundable developer bonds		3,856	2,696
Town planning deposits		4	23
Non standard lighting deposits		134	124
Unearned contributions		54	-
Total current trust funds and deposits		5,226	3,627
(c) Unearned income			
Grants received in advance - operating		862	-
Grants received in advance - capital		7,046	-
Total unearned income		7,908	-

Mitchell Shire Council

Notes to the Financial Report for the year ended 30 June 2020

Note 5. Our financial position (continued)

\$ '000	Notes	2020	2019
5.3. Payables (continued)			
<p>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.</p> <p><i>Purpose and nature of items</i></p> <p>Fire Service Levy - Council is the collection agent for fire services levy on behalf of the State Government. Council remits amounts received on a quarterly basis. Amounts disclosed here will be remitted to the state government in line with that process.</p> <p>Retention Amounts - Council has a contractual right to retain certain amounts until a contractor has met certain requirements or a related warrant or defect period has elapsed. Subject to the satisfactory completion of the contractual obligations, or the elapsing of time, these amounts will be paid to the relevant contractor in line with Council's contractual obligations.</p>			
5.4. Interest-bearing liabilities			
Current			
Borrowings - secured		1,916	1,821
		1,916	1,821
Non-current			
Borrowings - secured		10,484	12,400
		10,484	12,400
Total		12,400	14,221
<p>Borrowings are secured by a charge on the general rates revenue of the Council.</p> <p>(a) The maturity profile for Council's borrowings is:</p>			
Not later than one year		1,916	1,821
Later than one year and not later than five years		6,762	7,614
Later than five years		3,722	4,786
		12,400	14,221

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.

Mitchell Shire Council

Notes to the Financial Report
for the year ended 30 June 2020

Note 5. Our financial position (continued)

\$ '000	Employee Provisions	Landfill restoration	Total
5.5. Provisions			
2020			
Balance at beginning of the financial year	4,888	4,948	9,836
Additional provisions	2,718	3,150	5,868
Amounts used	(1,705)	(310)	(2,015)
Balance at the end of the financial year	5,901	7,788	13,689
2019			
Balance at beginning of the financial year	3,946	5,943	9,889
Additional provisions	2,663	1,746	4,409
Amounts used	(1,721)	(2,741)	(4,462)
Balance at the end of the financial year	4,888	4,948	9,836

\$ '000	Notes	2020	2019
(a) Employee provisions			
Current provisions expected to be wholly settled within 12 months			
Annual leave		1,280	1,254
Long service leave		350	339
		1,630	1,593
Current provisions expected to be wholly settled after 12 months			
Annual leave		1,043	586
Long service leave		2,325	2,009
		3,368	2,595
Total current employee provisions		4,998	4,188
Non-current			
Long service leave		903	700
Total non-current employee provisions		903	700
Aggregate carrying amount of employee provisions:			
Current		4,998	4,188
Non-current		903	700
Total aggregate carrying amount of employee provisions		5,901	4,888

Mitchell Shire Council

Notes to the Financial Report for the year ended 30 June 2020

Note 5. Our financial position (continued)

\$ '000

5.5. Provisions (continued)

(a) Employee provisions (continued)

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

Wages and salaries and annual leave

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

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

Long service leave

Liability for long service leave (LSL) is recognised in the provision for employee benefits. LSL is measured at present value. Unconditional LSL is disclosed as a current liability. Conditional LSL that has been accrued, where an employee is yet to reach a qualifying term of employment, is disclosed as a non - current liability.

\$ '000	Notes	2020	2019
Key assumptions:			
- discount rate		0.87%	1.32%
- Wage inflation rate		4.25%	4.31%
(b) Landfill restoration			
Current			
Current		2,397	56
		2,397	56
Non-current			
Non-current		5,391	4,892
		5,391	4,892

Council is obligated to restore Seymour landfill site to a particular standard and to cap the Hilldene landfill. The forecast life of the site is based on current estimates of remaining capacity and the forecast rate of infill. The provision for landfill restoration has been calculated based on the present value of the expected cost of works to be undertaken. The expected cost of works has been estimated based on current understanding of work required to reinstate the site to a suitable standard. Accordingly, the estimation of the provision required is dependent on the accuracy of the forecast timing of the work, work required and related costs.

Key assumptions:	2020	2019
- discount rate	0.58%	1.46%
- index rate	2.50%	2.50%

Mitchell Shire Council

Notes to the Financial Report

for the year ended 30 June 2020

Note 5. Our financial position (continued)

\$ '000	Notes	2020	2019
5.6. Financing arrangements			
The Council has the following funding arrangements in place as at 30 June 2020			
Credit card facilities		250	250
Other facilities		12,400	14,221
Leasing arrangements		2,634	-
Total facilities		15,284	14,471
Used facilities		15,042	14,252
Used facilities		15,042	14,252
Unused facilities		242	219

\$ '000	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
5.7. Commitments					
The Council has entered into the following commitments. Commitments are not recognised in the Balance Sheet. Commitments are disclosed at their nominal value and presented inclusive of the GST payable.					
2020					
Operating					
Waste collection and garbage	2,945	2,945	2,945	-	8,835
Street cleaning services	357	357	119	-	833
Cleaning of council buildings	618	618	618	-	1,854
Internal audit services	72	74	75	-	221
Environmental health service	550	550	550	-	1,650
Security patrols	98	98	98	-	294
Oval maintenance	129	129	129	-	387
Banking Services	105	107	109	-	321
Mechanical Services	26	26	26	-	78
Total	4,900	4,904	4,669	-	14,473
Capital					
Construction works	6,270	-	-	-	6,270
Total	6,270	-	-	-	6,270

Mitchell Shire Council

Notes to the Financial Report for the year ended 30 June 2020

Note 5. Our financial position (continued)

\$ '000	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
5.7. Commitments (continued)					
2019					
Operating					
Waste collection and garbage	2,945	2,945	5,890	-	11,780
Street cleaning services	45	-	-	-	45
Cleaning of council buildings	240	-	-	-	240
Internal audit services	71	-	-	-	71
Environmental health service	538	550	1,100	-	2,188
Security patrols	96	-	-	-	96
Oval maintenance	129	129	258	-	516
Essential services	46	-	-	-	46
Total	4,110	3,624	7,248	-	14,982
Capital					
Construction works	2,298	-	-	-	2,298
Total	2,298	-	-	-	2,298

5.8. Leases

Policy applicable before 1 July 2019

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

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

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

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

Mitchell Shire Council

Notes to the Financial Report for the year ended 30 June 2020

Note 5. Our financial position (continued)

5.8. Leases (continued)

Policy applicable after 1 July 2019

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

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

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

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

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

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

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

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

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

Mitchell Shire Council

Notes to the Financial Report for the year ended 30 June 2020

Note 5. Our financial position (continued)

5.8. Leases (continued)

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

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

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

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

Council has 5 leases which are considered as peppercorn leases and have been entered into to support key community infrastructure facility requirements. Details of these community facilities are provided below:

Start Date	Term	Description
Oct-09	Open	Part of Land used to provide a Public Bus Shelter and Rubbish Bin
Jan-13	15 Years	Agreement for joint use of Netball Courts and lighting
Mar-16	21 Years	Use of land and building as an Early Years Learning Centre
Nov-18	20 Years	Agreement for joint use of rooms in College
Dec-18	3 Years	Part of Buidings used as Maternal Child Health Centre

Market value of the above leases is difficult to quantify but not expected to be material.

Mitchell Shire Council

Notes to the Financial Report
for the year ended 30 June 2020

Note 5. Our financial position (continued)

\$ '000	Property	Vehicles	Other	Total
5.8. Leases (continued)				
(a) Right-of-Use Assets				
Balance at 1 July 2019	101	1,996	339	2,436
Additions	659	-	4	663
Amortisation charge	(161)	(428)	(100)	(689)
Balance at 30 June 2020	599	1,568	243	2,410
(b) Lease Liabilities				
				2020
Maturity analysis - contractual undiscounted cash flows				
Less than one year				795
One to five years				1,773
More than five years				66
Total undiscounted lease liabilities as at 30 June:				2,634
Lease liabilities included in the Balance Sheet at 30 June:				
Current				715
Non-current				1,739
Total lease liabilities				2,454
Short-term and low value leases				
Council has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets (individual assets worth less than existing capitalisation thresholds for a like asset up to a maximum of AUD\$10,000), including IT equipment. Council recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.				
				2020
Expenses relating to:				
Short-term leases				107
Leases of low value assets				3
Total				110
Variable lease payments (not included in measurement of lease liabilities)				-
Non-cancellable lease commitments - Short-term and low-value leases				
Commitments for minimum lease payments for short-term and low-value leases are payable as follows:				
Within one year				35
Later than one year but not later than five years				5
Total lease commitments				40

Mitchell Shire Council

Notes to the Financial Report for the year ended 30 June 2020

Note 5. Our financial position (continued)

5.8. Leases (continued)

i. Leases classified as operating leases under AASB 117 Leases

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

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

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

ii. Leases previously classified as finance leases

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

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

Impact on financial statements

When measuring lease liabilities, Council discounted lease payments using its incremental borrowing rate at 1 July 2019. The weighted-average rate applied is 3.76%.

	2019 \$ '000
Operating lease commitment at 30 June 2019 as disclosed in Council's financial statements	638
Discounted using the incremental borrowing rate at 1 July 2019	(158)
Finance lease liability recognised as at 30 June 2019	480
- Recognition exemption for:	
short-term leases	(33)
leases of low-value assets	(7)
- Recognition of Vehicles used for waste contracts	1,996
Lease liabilities recognised as at 1 July 2019	2,436

Mitchell Shire Council

Notes to the Financial Report
for the year ended 30 June 2020

Note 6. Assets we manage (continued)

6.1. Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment	At Fair Value 30 June 2019	Additions	Contributions	Revaluation	Depreciation	Disposal	Write-off	Transfers	Prior Year Adjustments	At Fair Value 30 June 2020
\$ '000										
Property	133,163	2,743	714	5,234	(788)	(373)	(3,584)	454	1,977	139,540
Plant and equipment	8,940	4,089	-	-	(2,707)	(505)	-	559	-	10,376
Infrastructure	326,470	5,574	16,747	33,944	(8,983)	(458)	-	6,321	-	379,615
Work in progress	15,279	4,949	-	-	-	-	(1,261)	(7,334)	-	11,633
Total	483,852	17,355	17,461	39,178	(12,478)	(1,336)	(4,845)	-	1,977	541,164

Summary of Work in Progress	Opening WIP	Additions	Write-off	Transfers	Closing WIP
\$ '000					
Property	395	2,151	(64)	(329)	2,153
Plant and equipment	835	409	-	(559)	685
Infrastructure	14,049	2,389	(1,197)	(6,446)	8,795
Total	15,279	4,949	(1,261)	(7,334)	11,633

Mitchell Shire Council

Notes to the Financial Report
for the year ended 30 June 2020

Note 6. Assets we manage (continued)

6.1. Property, infrastructure, plant and equipment (continued)

Property	Note	Land	Land under roads	Total Land	Heritage buildings	Buildings - specialised	Buildings - non specialised	Building improvements	Total Buildings	Work In Progress	Total Property
\$ '000											
At fair value 1 July 2019		52,452	5,939	58,391	256	34,226	91,709	2,744	128,935	395	187,721
Accumulated depreciation at 1 July 2019		-	-	-	(118)	(13,366)	(39,541)	(1,138)	(54,163)	-	(54,163)
Carrying value - 1 July 2019		52,452	5,939	58,391	138	20,860	52,168	1,606	74,772	395	133,558
Movements in fair value											
Additions		92	-	92	-	71	2,060	520	2,651	2,151	4,894
Contributions		-	714	714	-	-	-	-	-	-	714
Revaluation		-	-	-	239	1,424	9,685	-	11,348	-	11,348
Disposals and write-offs		(3,584)	-	(3,584)	-	-	(1,204)	-	(1,204)	(64)	(4,852)
Transfers		-	-	-	-	990	330	33	1,353	(329)	1,024
Prior year adjustment		1,977	-	1,977	-	-	-	-	-	-	1,977
Total movements in fair value		(1,515)	714	(801)	239	2,485	10,871	553	14,148	1,758	15,105
Movements in accumulated depreciation											
Depreciation and amortisation		-	-	-	(2)	(43)	(626)	(117)	(788)	-	(788)
Accumulated depreciation of disposals		-	-	-	-	-	831	-	831	-	831
Revaluation		-	-	-	(247)	(688)	(5,179)	-	(6,114)	-	(6,114)
Transfers		-	-	-	-	(893)	-	(6)	(899)	-	(899)
Total movements in accumulated depreciation		-	-	-	(249)	(1,624)	(4,974)	(123)	(6,970)	-	(6,970)
At fair value 30 June 2020		50,937	6,653	57,590	495	36,711	102,580	3,297	143,083	2,153	202,826
Accumulated depreciation at 30 June 2020		-	-	-	(367)	(14,990)	(44,515)	(1,261)	(61,133)	-	(61,133)
Carrying value - 30 June 2020		50,937	6,653	57,590	128	21,721	58,065	2,036	81,950	2,153	141,693

Mitchell Shire Council

Notes to the Financial Report
for the year ended 30 June 2020

Note 6. Assets we manage (continued)

6.1. Property, infrastructure, plant and equipment (continued)

Plant and Equipment		Library books	Plant and machinery	Motor vehicles	Equipment and furniture	IT equipment	Work In Progress	Total plant and equipment
\$ '000	Note							
At fair value 1 July 2019		3,133	7,982	3,378	3,076	6,335	835	24,739
Accumulated depreciation at 1 July 2019		(2,485)	(4,222)	(1,409)	(2,329)	(4,519)	-	(14,964)
Carrying value - 1 July 2019		648	3,760	1,969	747	1,816	835	9,775
Movements in fair value								
Additions		189	2,006	1,078	161	655	409	4,498
Disposals and write-offs		-	(1,191)	(1,290)	-	(25)	-	(2,506)
Transfers		-	-	43	104	412	(559)	-
Total movements in fair value		189	815	(169)	265	1,042	(150)	1,992
Movements in accumulated depreciation								
Depreciation and amortisation		(175)	(774)	(782)	(137)	(839)	-	(2,707)
Accumulated depreciation of disposals		-	899	1,077	-	25	-	2,001
Total movements in accumulated depreciation		(175)	125	295	(137)	(814)	-	(706)
At fair value 30 June 2020		3,322	8,797	3,209	3,341	7,377	685	26,731
Accumulated depreciation at 30 June 2020		(2,660)	(4,097)	(1,114)	(2,466)	(5,333)	-	(15,670)
Carrying value - 30 June 2020		662	4,700	2,095	875	2,044	685	11,061

Mitchell Shire Council

Notes to the Financial Report
for the year ended 30 June 2020

Note 6. Assets we manage (continued)

6.1. Property, infrastructure, plant and equipment (continued)

Infrastructure		Roads	Bridges	Footpaths and cycleways	Drainage	Recreational, leisure and community	Waste management	Parks open spaces and streetscapes	Other infrastructure	Work In Progress	Total Infrastructure
\$ '000	Note										
At fair value 1 July 2019		278,073	60,365	35,357	70,508	19,204	10,112	2,467	628	14,049	490,763
Accumulated depreciation at 1 July 2019		(81,832)	(25,120)	(15,860)	(14,893)	(8,245)	(3,548)	(436)	(310)	-	(150,244)
Carrying value - 1 July 2019		196,241	35,245	19,497	55,615	10,959	6,564	2,031	318	14,049	340,519
Movements in fair value											
Additions		1,368	443	927	565	967	-	1,297	7	2,389	7,963
Contributions		6,781	3,418	2,405	4,143	-	-	-	-	-	16,747
Revaluation		-	-	-	33,107	8,200	-	357	-	-	41,664
Disposals and write-offs		(357)	-	(215)	(10)	(194)	-	-	-	(1,197)	(1,973)
Transfers		2,510	514	975	1,277	(372)	84	309	125	(6,446)	(1,024)
Total movements in fair value		10,302	4,375	4,092	39,082	8,601	84	1,963	132	(5,254)	63,377
Movements in accumulated depreciation											
Depreciation and amortisation		(4,349)	(412)	(604)	(1,352)	(1,150)	(960)	(106)	(50)	-	(8,983)
Accumulated depreciation of disposals		113	-	103	5	97	-	-	-	-	318
Revaluation		-	-	-	(7,541)	(238)	-	59	-	-	(7,720)
Transfers		(7)	(48)	(10)	-	999	-	(12)	(23)	-	899
Total movements in accumulated depreciation		(4,243)	(460)	(511)	(8,888)	(292)	(960)	(59)	(73)	-	(15,486)
At fair value 30 June 2020		288,375	64,740	39,449	109,590	27,805	10,196	4,430	759	8,796	554,140
Accumulated depreciation at 30 June 2020		(86,075)	(25,580)	(16,371)	(23,781)	(8,537)	(4,508)	(495)	(383)	-	(165,730)
Carrying value - 30 June 2020		202,300	39,160	23,078	85,809	19,268	5,688	3,935	376	8,796	388,410

Mitchell Shire Council

Notes to the Financial Report

for the year ended 30 June 2020

Note 6. Assets we manage (continued)

\$ '000

6.1. Property, infrastructure, plant and equipment (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.

	Depreciation Period years	Threshold Limit \$ '000
<i>Asset recognition thresholds and depreciation periods</i>		
Land & land improvements		
Land	Not depreciated	1,000
Land improvements	40 to 60 years	1,000
Buildings		
Heritage buildings	50 to 200 years	10,000
Buildings	5 to 170 years	10,000
Building and leasehold improvements	0 to 50 years	10,000
Plant and Equipment		
Plant, machinery and equipment	10 to 15 years	1,000
Furniture and equipment	3 to 10 years	1,000
Computers and telecommunications	3 years	1,000
Library books	6.5 years	1
Motor vehicles	4 years	1,000
Infrastructure		
Road seals	10 to 50 years	20,000
Road pavements	12 to 80 years	20,000
Road formation and earthworks	Not depreciated	20,000
Road kerb channel and minor culverts	50 to 70 years	5,000
Bridges - deck and substructure	50 to 150 years	20,000
Bridges - other (culverts)	50 to 150 years	5,000
Footpaths and cycleways	15 to 60 years	5,000
Drainage	25 to 150 years	5,000
Recreational leisure and community facilities	5 to 60 years	5,000
Waste management	15 years	20,000
Parks, open space and streetscapes	10 to 150 years	5,000
Off street carparks	10 to 80 years	1,000
Intangible assets		
Airspace asset	2 to 5 years	1,000

Mitchell Shire Council

Notes to the Financial Report for the year ended 30 June 2020

Note 6. Assets we manage (continued)

\$ '000

6.1. Property, infrastructure, plant and equipment (continued)

Land under roads

Council recognises land under roads it controls at fair value.

Depreciation and amortisation

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

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

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

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

Depreciation periods used are listed in the previous section and are consistent with the prior year unless otherwise stated.

Repairs and maintenance

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

Valuation of land and buildings

The revaluation of Land and structural assets held by Mitchell Shire Council was carried out in 2019 with a revaluation date of 1st July 2019. As such the applied values were unaffected by the COVID 19 Pandemic that started to significantly impact the Australian population and economy in March 2020. Advice has been received that the impact of the pandemic on prevailing levels of value remains unclear, with market evidence across various property classes demonstrating some resilience especially in regional areas. We will continue to monitor the general trajectory of the market movements in 2020/21 financial year.

Valuation of land and buildings were undertaken by a qualified independent valuer (PW Newman, API 62050) Valuation of land, buildings and structures were undertaken by a qualified independent valuer (Marcus Hann, API 62901). The valuation of land and buildings is at fair value (Refer Note 8.4), being market value based on highest and best use permitted by relevant land planning provisions. Where land use is restricted through existing planning provisions the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

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

Any significant movements in the unobservable inputs for land and land under roads will have a significant impact on the fair value of these assets.

Mitchell Shire Council

Notes to the Financial Report for the year ended 30 June 2020

Note 6. Assets we manage (continued)

\$ '000

6.1. Property, infrastructure, plant and equipment (continued)

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

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

	Level 1	Level 2	Level 3	Date of valuation
Land - non-specialised	-	50,937	-	30/06/19
Specialised land	-	-	6,653	30/06/14
Specialised Buildings	-	-	21,721	30/06/20
Heritage Buildings	-	-	128	30/06/20
Buildings	-	58,065	-	30/06/20
Building improvements	-	-	2,036	30/06/20
Total	-	109,002	30,538	

Valuation of infrastructure

A Revaluation of infrastructure assets included Drainage, Recreation Leisure and Community and Parks and Open Space assets. The revaluation was undertaken in-house using a combination of the following:

- benchmarking with north east Victorian Councils
- Unit rates from recent capital works
- Unit rates from subdivision developments
- Rawlinson's Construction Guide

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

The valuation is at fair value (Refer Note 8.5) based on replacement cost less accumulated depreciation as at the date of valuation.

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

	Level 1	Level 2	Level 3	Date of valuation
Roads	-	-	202,300	30/06/18
Bridges	-	-	39,160	30/06/17
Footpaths and cycleways	-	-	23,078	30/06/18
Drainage	-	-	85,809	30/06/20
Recreational, leisure and community facilities	-	-	19,268	30/06/20
Waste management	-	-	5,688	30/06/17
Parks, open space and streetscapes	-	-	3,935	30/06/20
Other infrastructure	-	-	376	30/06/14
Total	-	-	379,614	

Mitchell Shire Council

Notes to the Financial Report for the year ended 30 June 2020

Note 6. Assets we manage (continued)

\$ '000

6.1. Property, infrastructure, plant and equipment (continued)

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 46% and 65%. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values are \$4 per square metre.

Specialised buildings are valued using a depreciated replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs is calculated on a square metre basis and ranges from \$33 to \$2,461 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 5 years to 200 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 asses are determined on the basis of the current condition of the asset and vary from 5 years to 150 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of infrastructure are sensitive to changes in use, expectations or requirements that could either shorten or extend the useful lives of infrastructure assets.

Reconciliation of specialised land	2020	2019
Land under roads	6,653	5,939
Total specialised land	6,653	5,939

Mitchell Shire Council

Notes to the Financial Report for the year ended 30 June 2020

Note 7. People and relationships

\$ '000	2020	2019
7.1. Council and key management remuneration		
(a) Related Parties		
<i>Parent entity</i>		
Mitchell Shire Council is the parent entity and has no subsidiaries or associates.		
(b) Key Management Personnel		
Details of persons holding the position of Councillor or other members of key management personnel at any time during the year are:		
Councillors	B Chisholm (Mayor - until 25/11/2019)	
	A Goble	
	B Cornish	
	B Humm	
	D Atkinson	
	D Lowe (Mayor - from 25/11/2019)	
	F Stevens	
	R Eldridge	
	R Sanderson	
	No.	No.
Total Number of Councillors	9	9
D Turnbull	- Chief Executive Officer (to 27/03/2020)	1
M Agostino	- Acting Chief Executive Officer (01/07/2019 to 28/07/2019) (14/10/2019 to 30/06/2020)	1
	- Director - Advocacy and Community Services (29/07/2019 to 13/10/2019)	
J Wilson	- Acting Director - Advocacy and Community Services (01/07/2019 to 29/07/2019) (14/10/2019 to 21/12/2019) (23/03/2020 to 30/06/2020)	1
K Watson	- Acting Director - Advocacy and Community Services (23/12/2019 to 21/03/2020)	1
L Ellis	- Director - Governance and Corporate Performance	1
M McIntosh	- Director - Development and Infrastructure	1
Total Number of Key Management Personnel	15	13

Mitchell Shire Council

Notes to the Financial Report for the year ended 30 June 2020

Note 7. People and relationships (continued)

\$ '000	2020	2019
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7.1. Council and key management remuneration (continued)

(c) Remuneration of Key Management Personnel

Total remuneration of key management personnel was as follows:

Short-term benefits	1,559	1,362
Long-term benefits	22	30
Termination benefits	13	-
Total	1,594	1,392

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

	No.	No.
\$20,000 - \$29,999	7	7
\$40,000 - \$49,999	1	1
\$60,000 - \$69,999	1	1
\$120,000 - \$129,999	1	-
\$130,000 - \$139,999	1	-
\$210,000 - \$219,999	1	-
\$230,000 - \$239,999	-	1
\$240,000 - \$249,999	1	-
\$250,000 - \$259,999	1	1
\$270,000 - \$279,999	-	1
\$280,000 - \$289,999	1	-
\$310,000 - \$319,999	-	1
	15	13

(d) Senior Officer 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; or
- whose total annual remuneration exceeds \$151,000

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

Income Range:	No.	No.
< \$151,000	4	4
\$151,000 - \$159,999	-	1
\$160,000 - \$169,999	5	4
\$170,000 - \$179,999	5	1
\$180,000 - \$189,999	-	1
	14	11

Total Remuneration for the reporting year for Senior Officers included above amounted to*:	\$ '000	\$ '000
	1,952	1,369

Mitchell Shire Council

Notes to the Financial Report for the year ended 30 June 2020

Note 7. People and relationships (continued)

\$ '000

7.2. Related party disclosure

(a) Transactions with related parties

During the period Council did not enter into any material transactions with related parties.

(b) Outstanding balances with related parties

There are no outstanding balances with any of the above mentioned related parties as at 30 June 2020.

(c) Loans to/from related parties

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

(d) Commitments to/from related parties

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

Mitchell Shire Council

Notes to the Financial Report for the year ended 30 June 2020

Note 8. Managing uncertainties

\$ '000	2020	2019
8.1. Contingent assets and liabilities		
(a) Contingent assets		
<i>Operating lease receivables</i>		
<p>The Council has entered into commercial property leases on its investment property, consisting of surplus freehold office complexes. These properties held under operating leases have remaining non-cancellable lease terms of between 1 and 10 years. All leases include a CPI based revision of the rental charge annually.</p> <p>Future undiscounted minimum rentals receivable under non-cancellable operating leases are as follows:</p>		
Not later than one year	171	116
Later than one year and not later than five years	92	100
Later than five years	90	82
	353	298

(b) Contingent liabilities

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

Superannuation

Council has obligations under a defined benefit superannuation scheme that may result in the need to make additional contributions to the scheme, matters relating to this potential obligation are outlined below. As a result of the volatility in financial markets the likelihood of making such contributions in future periods exists.

Mitchell Shire Council

Notes to the Financial Report for the year ended 30 June 2020

Note 8. Managing uncertainties (continued)

\$ '000

8.1. Contingent assets and liabilities (continued)

Future superannuation contributions

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2021 are \$89,434.

Legal matters

Council is currently involved in two matters of dispute relating to Councils Waste Service. These matters combined have the potential to incur further legal costs of approximately \$330k during 2020-2021. The first matter is a continued contractual dispute regarding the Seymour and Mitchell landfill capping project. Further legal costs are estimated to be incurred at \$300k with the matter expected to proceed to court during 2020.

The second matter is a continued legal dispute around the ongoing management responsibilities of Council in relation to the closed Kilmore Landfill that is not located on Council land. Further legal costs are expected in the order of \$30k. Regular reporting to the audit committee on the progress of these matters is undertaken and budget implications will be adjusted as the matters progress.

Building cladding

Council is not aware of any building structures with building cladding that would require material costs to remediate.

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.

Mitchell Shire Council

Notes to the Financial Report for the year ended 30 June 2020

Note 8. Managing uncertainties (continued)

\$ '000

8.1. Contingent assets and liabilities (continued)

(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.

Mitchell Shire Council entered into a guarantor agreement with the Bendigo Bank in 2017 for a loan that the Wallan Bowling Club has drawn down. This was for the installation of a synthetic bowling green for which the Wallan Bowling Club also received a grant from the Community Sports Infrastructure Fund 2016-2017 and provided their own contribution, along with the loan. The guarantee is for \$60,000 for a period of ten years (current balance outstanding \$32,196), subject to the Wallan Bowling Club satisfactorily meeting the loan guarantee criteria and reporting obligations as set out in the guarantee agreement. At the date of this report, the possible obligation to Mitchell Shire Council under the guarantee is not considered probable hence, as such is reported as a contingent liability under *AASB 137 Provisions, Contingent Liabilities and Contingent Assets*.

8.2. Impact of COVID-19 pandemic on Mitchell Shire Council's operations and 2019-20 financial report.

On 30 January 2020, COVID-19 was declared as a global pandemic by the World Health Organisation. Since then, various measures have been taken by all three levels of Government in Australia to reduce the spread of COVID-19.

On 22 March 2020, Premier Daniel Andrews announced implementation of a shutdown of all non-essential activity across Victoria to combat the spread of COVID-19. This was rapidly escalated to formal Stage 2 restrictions on 25 March 2020, followed by Stage 3 on 28 March 2020. This had the greatest impact on our Aquatic Services as visitation numbers were at first reduced, then facilities closed. Library Services were also significantly reduced, and at varying points, prohibited.

By May 2020, community transmission numbers had eased, and Victoria prepared to re-open in June. Unfortunately, this was short-lived, and by 30 June 2020, the Chief Health Officer advised the Victorian Government to return several Victorian post-codes to Stage 3 restrictions, paving the way for a return to minimum Stage 3 across the State.

Mitchell Shire Council

Notes to the Financial Report for the year ended 30 June 2020

Note 8. Managing uncertainties (continued)

\$ '000

8.2. Impact of COVID-19 pandemic on Mitchell Shire Council's operations and 2019-20 financial report (continued).

This crisis and measures taken to mitigate it has impacted operations in the following areas for the financial year ended 30 June 2020:

- In response to government directive amidst the COVID-19 outbreak, leisure facilities / libraries / community and customer service centres were closed. These closures resulted in a decrease in the council user fee revenue by approximately \$816K and decreased associated expenses by \$903K. However, due to the closures of these facilities, Council had a number of staff who required redeployment to focus on.
- COVID-19 tasks and response, this initiative incurred staffing costs of \$95K. Furthermore, other COVID-19 specific costs were incurred including, additional cleaning, advertising and protective equipment which totalled \$234K.
- Council ceased charging interest on overdue accounts and deferred the payment of outstanding rates and charges to 30 September 2020 in response to this crisis during March 2020. The financial impact from deferral of rates revenue / interest free period is \$79K.
- At 30 June 2020 the outstanding rates and charges were \$845K greater compared to last financial year.

Overall the financial impact has not been material for 2019-2020, however we will continue to assess the ongoing impact during 2020-2021 and provide updates in our quarterly financial report to Council, that is publicly available.

8.3. Change in accounting standards

The following new AAS's have been issued that are not mandatory for the 30 June 2020 reporting period. Council has assessed these pending standards and has identified the following potential impacts will flow from the application of these standards in future reporting periods.

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

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

- recognise a service concession asset constructed, developed or acquired from a third party by the operator, including an upgrade to an existing asset of the grantor, when the grantor controls the asset;
- reclassify an existing asset (including recognising previously unrecognised identifiable intangible assets and land under roads) as a service concession asset when it meets the criteria for recognition as a service
- initially measure a service concession asset constructed, developed or acquired by the operator or reclassified by the grantor at current replacement cost in accordance with the cost approach to fair value in

Mitchell Shire Council

Notes to the Financial Report

for the year ended 30 June 2020

Note 8. Managing uncertainties (continued)

\$ '000

8.3. Change in accounting standards (continued)

AASB 13 Fair Value Measurement. Subsequent to the initial recognition or reclassification of the asset, the service concession asset is accounted for in accordance with *AASB 116 Property, Plant and Equipment* or *AASB 138 Intangible Assets*, as appropriate, except as specified AASB 1059;

- recognise a corresponding liability measured initially at the fair value (current replacement cost) of the service concession asset, adjusted for any other consideration between the grantor and the operator; and
- disclose sufficient information to enable users of financial statements to understand the nature, amount, timing and uncertainty of assets, liabilities, revenue and cash flows arising from service concession arrangements.

Based on the Council's current assessment, there is expected to be no material impact on the transactions and balances recognised in the financial statements.

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

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

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

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

Mitchell Shire Council

Notes to the Financial Report for the year ended 30 June 2020

Note 8. Managing uncertainties (continued)

\$ '000

8.4. Financial instruments

(a) Objectives and policies

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

(b) Market risk

Market risk is the risk that the fair value or future cash flows of Council financial instruments will fluctuate because of changes in market prices. The Council's exposure to market risk is primarily through interest rate risk with only insignificant exposure to other price risks and no exposure to foreign currency risk.

Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Council's interest rate liability risk arises primarily from long term loans and borrowings at fixed rates which exposes Council to fair value interest rate risk / Council does not hold any interest bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Council has minimal exposure to cash flow interest rate risk through its cash and deposits that are at floating rates.

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

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

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

Interest rate movements have not been sufficiently significant during the year to have an impact on the Council's year end result.

Mitchell Shire Council

Notes to the Financial Report

for the year ended 30 June 2020

Note 8. Managing uncertainties (continued)

\$ '000

8.4. Financial instruments (continued)

(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 the balance sheet. Particularly significant areas of credit risk exist in relation to outstanding fees and fines as well as loans and receivables from sporting clubs and associations. To help manage this risk:

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

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

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

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

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

(d) Liquidity risk

Liquidity risk includes the risk that, as a result of Council's operational liquidity requirements it will not have sufficient funds to settle a transaction when required or will be forced to sell a financial asset at below value or may be unable to settle or recover a financial asset.

To help reduce these risks Council:

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

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

Mitchell Shire Council

Notes to the Financial Report for the year ended 30 June 2020

Note 8. Managing uncertainties (continued)

\$ '000

8.4. Financial instruments (continued)

(d) Liquidity risk (continued)

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

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

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

(e) Sensitivity disclosure analysis

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

- A parallel shift of + 0.5 % and - 0.5 % in market interest rates (AUD) from year-end rates of 1.25% - 2.75%.

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

8.5. Fair value measurement

Fair value hierarchy

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

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

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.

Mitchell Shire Council

Notes to the Financial Report for the year ended 30 June 2020

Note 8. Managing uncertainties (continued)

\$ '000

8.5. Fair value measurement (continued)

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

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

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

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

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

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

Revaluation

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

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use of an asset result in changes to the permissible or practical highest and best use of the asset. In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 1 to 5 years. The valuation is performed either by experienced council officers or independent experts.

Mitchell Shire Council

Notes to the Financial Report for the year ended 30 June 2020

Note 8. Managing uncertainties (continued)

\$ '000

8.5. Fair value measurement (continued)

Revaluation (continued)

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

Impairment of assets

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

8.6. Events occurring after balance date

A State of Emergency was declared on 16 March 2020 and has been extended until 13 September 2020 with a possibility of further extension. Victoria's State of Disaster was declared on 2 August 2020. The overall impact of this pandemic can not be estimated due to the uncertainty and ongoing nature of COVID-19.

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

Mitchell Shire Council

Notes to the Financial Report
for the year ended 30 June 2020

Note 9. Other matters

\$ '000	Balance at beginning of reporting period	Increment (decrement)	Other adjustments to opening balances	Balance at end of reporting period
9.1. Reserves				
(a) Asset revaluation reserves				
2020				
Property				
Land - specialised	17,501	-	-	17,501
Land - non specialised	13,532	-	1,977	15,509
Buildings - specialised	42,385	736	-	43,121
Buildings - non specialised	-	4,506	-	4,506
Non current financial assets	-	120	-	120
	73,418	5,362	1,977	80,757
Infrastructure				
Roads	103,094	-	-	103,094
Bridges	6,372	-	-	6,372
Footpaths and cycleways	55	-	-	55
Drainage	6,995	25,566	-	32,561
Recreational, leisure and community facilities	-	7,962	-	7,962
Waste management	277	-	-	277
Parks, open space and streetscapes	-	416	-	416
Other infrastructure	1,357	-	-	1,357
	118,150	33,944	-	152,094
Total asset revaluation reserves	191,568	39,306	1,977	232,851
2019				
Property				
Land - specialised	17,501	-	-	17,501
Land - non specialised	-	13,532	-	13,532
Buildings - specialised	42,385	-	-	42,385
	59,886	13,532	-	73,418
Infrastructure				
Roads	103,094	-	-	103,094
Bridges	6,372	-	-	6,372
Footpaths and cycleways	55	-	-	55
Drainage	6,995	-	-	6,995
Waste management	277	-	-	277
Other infrastructure	1,357	-	-	1,357
	118,150	-	-	118,150
Total asset revaluation reserves	178,036	13,532	-	191,568

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

Mitchell Shire Council

Notes to the Financial Report
for the year ended 30 June 2020

Note 9. Other matters (continued)

\$ '000	Balance at beginning of reporting period	Transfer from accumulated surplus	Transfer to accumulated surplus	Balance at end of reporting period
9.1. Reserves (continued)				
(b) Other reserves				
2020				
Restricted reserves				
Recreational land	2,094	305	(322)	2,077
Community development	3,053	403	-	3,456
Development infrastructure	6,516	2,922	(104)	9,334
Total restricted reserves	11,663	3,630	(426)	14,867
Discretionary reserves				
Waste management	3,100	463	-	3,563
Property proceeds	273	442	(100)	615
Vegetation offset reserve	16	-	(4)	12
Total discretionary reserves	3,389	905	(104)	4,190
Total Other reserves	15,052	4,535	(530)	19,057
2019				
Restricted reserves				
Recreational land	1,838	294	(38)	2,094
Community development	2,711	342	-	3,053
Development infrastructure	3,933	2,583	-	6,516
Subdivision development	49	-	(49)	-
Total restricted reserves	8,531	3,219	(87)	11,663
Discretionary reserves				
Waste management	4,544	-	(1,444)	3,100
Property proceeds	195	78	-	273
Vegetation offset reserve	-	17	(1)	16
Total discretionary reserves	4,739	95	(1,445)	3,389
Total Other reserves	13,270	3,314	(1,532)	15,052
<p>Council maintains Restricted Reserves for the creation and/or development of recreation facilities, public open space infrastructure and other infrastructure works throughout the Municipality. The balance of the reserve equals the total of contributions received from property developers less expenditure on related development of recreational facilities, open space and infrastructure works. Property Proceeds Reserve has been established to fund land acquisition, new capital works or debt reduction from proceeds derived from property realisation. Council also maintains a Waste Management Reserve to provide for the rehabilitation, replacement and expansion of waste management infrastructure throughout the Municipality.</p>				
(c) Adjustments directly to Equity				
Adjustment to prior year Land revaluations			2020 1,977	2019 -
Total Adjustments directly to Equity			1,977	-
(d) Summary of Reserves				
Asset Revaluation Reserves			232,851	191,568
Other Reserves			19,057	15,052
Total Reserves			251,908	206,620

Mitchell Shire Council

Notes to the Financial Report for the year ended 30 June 2020

Note 9. Other matters (continued)

\$ '000	Notes	2020	2019
9.2. Reconciliation of cash flows from operating activities to surplus/(deficit)			
Surplus/(deficit) for the year		17,237	39,792
Depreciation/amortisation		13,168	11,190
Impairment losses		-	1,939
(Profit)/loss on disposal of property, infrastructure, plant and equipment		3,734	-
Contributions - non-monetary assets		(17,461)	(20,609)
Revaluation decrement		8	-
Operating amounts disclosed in financing activities		681	-
Finance Costs - leases		101	761
Change in assets and liabilities:			
(Increase)/decrease in trade and other receivables		734	(2,529)
(Increase)/decrease in inventories		26	10
(Increase)/decrease in prepayments		(397)	48
(Increase)/decrease in accrued income		483	(932)
(Increase)/decrease in other assets		12	(12)
Increase/(decrease) in trade and other payables		(1,035)	(1,550)
Increase/(decrease) in provisions		3,853	(52)
Increase/(decrease) in trust funds and deposits		1,599	540
Increase/(decrease) in unearned income		7,908	-
Net cash provided by/(used in) operating activities		30,652	28,596

9.3. Superannuation

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

Accumulation

The Fund's accumulation categories, Vision MySuper/Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2020, this was 9.5% as required under Superannuation Guarantee (SG) legislation).

Mitchell Shire Council

Notes to the Financial Report for the year ended 30 June 2020

Note 9. Other matters (continued)

\$ '000

9.3. Superannuation (continued)

Defined Benefit

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

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

Funding Arrangements

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

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

As at 30 June 2019, an interim actuarial investigation was held as the Fund provides lifetime pensions in the Defined Benefit category. The vested benefit index (VBI) of the Defined Benefit category of which Council is a contributing employer was 107.1% as at 30 June 2019. The financial assumptions used to calculate the VBIs were:

	2020	2019
Net investment returns	6.0% p.a.	6.0% p.a.
Salary information	3.5% p.a.	3.5% p.a.
Price inflation (CPI)	2.0% p.a.	2.0% p.a.

Vision Super has advised that the actual VBI at June 2020 was 104.6%.

The VBI is used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2019 interim actuarial investigation determined the Defined Benefit category was in a satisfactory financial position and that no change was necessary to the Defined Benefit category's funding arrangements from prior years.

Mitchell Shire Council

Notes to the Financial Report for the year ended 30 June 2020

Note 9. Other matters (continued)

\$ '000

9.3. Superannuation (continued)

Employer contributions

Regular contributions

On the basis of the results of the 2017 full actuarial investigation conducted by the Fund Actuary, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2020, this rate was 9.5% of members' salaries (9.5% in 2018/2019). This rate will increase in line with any increases in the SG contribution rate and reviewed as part of the 30 June 2020 triennial valuation

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

Funding calls

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

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

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

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

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

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

The 2019 interim actuarial investigation surplus amounts

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

Mitchell Shire Council

Notes to the Financial Report for the year ended 30 June 2020

Note 9. Other matters (continued)

\$ '000

9.3. Superannuation (continued)

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

	2019 \$m	2017 \$m
- A VBI Surplus	151.3	69.8
- A total service liability surplus	233.4	193.5
- A discounted accrued benefits surplus	256.7	228.8

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2019. The total service liability surplus means that the current value of the assets in the Fund's Defined Benefit category plus expected future contributions exceeds the value of expected future benefits and expenses as at 30 June 2019.

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

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

The 2020 triennial actuarial investigation

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

	2020 Triennial Investigation	2017 Triennial Investigation
Net investment return	5.60% p.a.	6.50% p.a.
Salary inflation - for the first two years	2.50% p.a.	3.50% p.a.
Salary inflation - thereafter	2.75% p.a.	3.50% p.a.
Price inflation	2.00% p.a.	2.00% p.a.

Superannuation contributions

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

\$ '000	Scheme	Type of Scheme	Rate	Actual 2020	Actual 2019
	Vision Super	Defined benefits	9.5%	111	108
	Vision Super	Accumulation fund	9.5%	1,367	1,372
	Other funds	Accumulation fund	9.5%	777	598

There were no contributions outstanding and no loans issued from or to the above schemes as at 30 June 2020.

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2020 is \$89,434.

Mitchell Shire Council

Notes to the Financial Report for the year ended 30 June 2020

Note 10. Changes in accounting policies

(a) Changes in accounting policies due to adoption of new accounting standards – not retrospective

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

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

i) Impact of adoption of new accounting standards

AASB 15 Revenue from Contracts with Customers

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

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

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

During the year unexpended grants of \$7.9M have been recognised as unearned income in the balance sheet as a result of implementing *AASB 15 Revenue from Contracts with Customers*. This is due to Council not having met the performance obligation requirements in relation to these contracts as required by the standard.

AASB 16 Leases

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

AASB 1058 Income of Not-for-Profit Entities

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

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

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

Council has determined that it wouldn't have purchased the services that volunteers are currently donating, hence volunteer services have not be included in the disclosure.

Mitchell Shire Council

Notes to the Financial Report for the year ended 30 June 2020

Note 10. Changes in accounting policies

(a) Changes in accounting policies due to adoption of new accounting standards – not retrospective (continued)

ii) Transition impacts

Council adopted the practical expedient of deeming the lease asset to be equal in value to the lease liability at 1 July 2019. As such there was no impact on retained earnings on the adoption of AASB 16 Leases.

The following table summarises the impacts of transition to the new standards on Council's balance sheet for the year ending 30 June 2019.

Statement of Financial Position

	As reported 30 June 2019	Adjustments	Post adoption
	\$ '000	\$ '000	\$ '000
Assets			
Right of use assets	-	2,436	2,436
	-	2,436	2,436
Liabilities			
Lease liability - current	-	509	509
Lease liability - non-current	-	1,927	1,927
	-	2,436	2,436

(b). Voluntary changes in accounting policies

Council made no voluntary changes in any accounting policies during the year.



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