



Annual Report

2019/20



About our Annual Report

Swan Hill Rural City Council is pleased to present its 2019/20 Annual Report, which provides a detailed account of our performance from 1 July 2019 to 30 June 2020.

Documenting Council's performance against the 2019/20 Budget and the Council Plan, the Annual Report highlights achievements and challenges faced within key service areas and programs.

Council seeks to achieve community engagement and an understanding of Council's operations by conducting its affairs openly and with integrity.

Transparency in our decision-making and accountability are core values of Council, reflecting high levels of good governance.

This report provides information to a variety of audiences including community groups, businesses, ratepayers, visitors, investors, government agencies and other interested stakeholders.

Acknowledgement

Swan Hill Rural City Council acknowledges the traditional custodians of the land, and pays its respects to their elders, past and present.

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Welcome to the report of operations

We are committed to transparent reporting and accountability to our community. The Annual Report is our primary means of advising residents within the Swan Hill Rural City Council region about our operations and performance during the 2019/20 financial year.

How to read our Annual Report

Introduction

Provides a snapshot of our region and highlights what we have accomplished.

The year in review

Messages from our Mayor and CEO, a financial summary and major projects highlights.

Our Council

Our region's history and profile, and information on our Councillors.

Our people

Information on Council's employees, including our organisational structure, occupational health and safety, equal opportunity, and appreciating our staff.

Our performance

Results against our Council Plan key strategic initiatives, Local Government performance reporting indicators, and major initiatives and services identified in the 2019/20 Budget.

Corporate governance

Governance and statutory information including decision-making, elected members, risk management, benchmarking and accountability.

Performance statement

Local Government performance reporting indicators for sustainable capacity, service performance and financial performance.

Financial performance

Council's general purpose financial statements.



Part one

Introduction

Snapshot of Council

Swan Hill Rural City Council covers 6,116 square kilometres and is home to 20,649 people. It includes the townships of Swan Hill, Robinvale, Lake Boga, Nyah, Nyah West, Piangil, Woorinen, Ultima, Manangatang, Boundary Bend and Tresco.

Agriculture and manufacturing drive the Swan Hill Rural City economy.

Almost 22 per cent of the total economic output from the region comes from agricultural production.

Irrigated farming (including stonefruit, grapes, nuts, olives and vegetable production) accounts for over 15 per cent of the total economic output for the municipality, while traditional livestock and broadacre farming accounts for almost 5 per cent.

More than 17 per cent of all jobs in the city are directly related to agriculture.

Food manufacturing (processing) accounts for almost 9 per cent of the municipality's economic output.

Located along the Murray River, tourism plays an important role in our region's* economy.

Our climate and natural beauty attract around 917,500 visitors each year (based on the Murray Regional Tourism (MRT) Snapshot Report - March 2020), for domestic overnight travel, international overnight travel and domestic daytrips. This report covers eight months of the financial year. MRT has not collated a report for the year ending June 2020 due to COVID-19.



Our municipality: fast facts

20,649	Our population
6,116km²	Our area
3,654km	The length of our local roads (sealed and unsealed)
12,042	Our rateable properties
\$1.44 billion	Gross regional product
9,126	People working

* Swan Hill Region includes the Swan Hill Rural City, Gannawarra Shire and Balranald Shire

Our Vision

A prosperous and healthy community enjoying quality facilities and services.

Our Mission

We will lead, advocate, partner and provide efficient services and opportunities for growth and the wellbeing of our community and environment.

Our Values

Council values our residents and community and will be responsive to their needs. In pursuing our objectives, we believe in, and are committed to, the following values:

Community engagement

We will ensure that our communities are consulted, listened to and informed.

Leadership

We will be at the centre of our community and by actively engaging our community, we will form the collective view on strategic issues and will then express our views through strong advocacy.

Fairness

We will value and embrace the diversity of our community and ensure that all people are treated equally.

Accountability

We will be transparent and efficient in our activities and we will always value feedback.

Trust

We will act with integrity and earn the community's trust by being a reliable partner in delivering services and providing facilities.



Highlights of the year

Economic Growth

- Released Stage 12 of Tower Hill estate in June, including 19 residential lots. Lots sold within a day of release.
- Shop local campaign in response to COVID-19 restrictions and economic implications.
- Significant new businesses to the municipality facilitated by Council include: new service station and truck stop, two new Asian grocers, regular visiting cardiologist, new caravan park, and demolition business.
- Continued growth in horticulture.

Community Enrichment

- Fifty-seven community groups and events shared in more than \$137,000 through Council's community and events grants.
- Robinvale Community Hub Library to be built inside an existing building at the front of the Robinvale College grounds, it will be a permanent community library, replacing weekly mobile library visits to Robinvale.
- The TAC L2P Program got a permanent presence in Robinvale after Council made a submission to the Department of Transport to have the program's funding increased.
- Fairfax Youth Initiative successfully ran with an impressive line up. The week received rave reviews.
- Commencement of the Vibrant Villages project. Woorinen, Ultima, Manangatang, Lake Boga, Boundary Bend, Piangil, Beverford, Nyah and Nyah West will receive \$750,000 worth of community upgrades.
- Support for the Swan Hill Police bicycle squad by providing \$4,000 towards the purchase of two bicycles. The proposed squad will police places like public parks, CBD and events.

Infrastructure

- \$1.2 million in Federal funding for upgrades to the Swan Hill Aerodrome. The funding will enable the aerodrome to increase its capacity, including allowing larger aircraft to operate at the facility.
- Works to upgrade and beautify Bromley Road in Robinvale. The \$1.3 million project included widening the road between Ronald and Moore streets, creating angle carparking, landscaping, and the installation of seating, bike racks and signage.
- Milloo Street boat ramp and adjacent toilet block; and a new Adventure Playground and skate park at Riverside Park in Swan Hill were completed during the year.

Governance and Leadership

- Adopted the Long Term Financial plan 2019/20 to 2028/29.
- Adopted Early-Middle Years Plan 2020-2030.
- Adopted Youth Strategy in June 2020.
- Expert demographer engaged to determine a more accurate population figure and found that between 7,000 and 8,800 people are living in Robinvale - more than double the 3,359 figure from the Australian Bureau of Statistics. The figures were revealed at a community meeting in August 2019.
- The launch of the 2019 Central Murray Regional Transport Strategy was held in Mildura. The strategy highlighted key transport needs and challenges in the Sunraysia, Murray and Mallee regions on both sides of the Murray River. It's an initiative of the Central Murray Regional Transport Forum, which comprises Councillors and senior staff from Mildura, Swan Hill, Gannawarra, Buloke, Balranald, Wentworth and Murray River councils.

- Continued support and advocacy for the Swan Hill Needs a New Hospital campaign.
- Advocated for the concept of an Agricultural Visa and for all states and territories to adopt Labour Hire Licensing laws.
- Adopted a position paper on the Murray-Darling Basin Plan. This will be used to advocate for better outcomes for our communities.

Environment

- Mallee Sun Solar Bulk Buy is a partnership between Council and the More Australian Solar Homes (MASH) community solar bulk-buy which is delivered by the not-for-profit Central Victorian Greenhouse Alliance. The partnership ensures high quality solar systems at competitive prices for residents. The program also works closely with local installers to promote local job opportunities.
- Council partnered with local residents for revegetation works in Tol Tol Road on a section of road reserve, north of Invincible Bend Lane, 12km south east of Robinvale.
- Included a “no balloon release” clause into the Events Policy, which prohibits the release of balloons at Council managed events.

Challenges for 2019/20

- Continue to work with the Swan Hill community to achieve favourable outcomes for the Our Place project.
- Work with local and state organisations to implement priorities from the Robinvale Housing Strategy.
- Swan Hill Yamagata Club and student exchange program unable to run in 2020 due to COVID-19 restrictions.
- Work with Robinvale community to achieve a favourable outcome for the sale and development of 71-77 Bromley Road.
- Additional challenges relating to COVID-19 restrictions including changed work environments, business and facility closures, and local economic impacts.
- Getting government approval of the true population of Robinvale. Council commissioned Geografia to undertake a population determination study of the township of Robinvale. This work was done given considerable concern by Council and the Robinvale community that the Australian Bureau of Statistics (ABS) had a population figure of 3359 people. The results of the study shows the true population of Robinvale to be 7900 people.



Statistics for 2019/20



Year at a glance

July

Community centre hire fees halved

Council halved hire costs at the Robinvale, Lake Boga, Nyah, Manangatang and Woorinen community centres, making them more accessible to community groups and charities.

Other fees that were halved included foyer hire, hourly hire for meetings, hall set-up, use of catering facilities and theatre hire at Robinvale.

Council backs new solar bulk buy

Households and business in the Swan Hill Rural City municipality were able to access cost-effective solar thanks to a partnership between Council and the More Australian Solar Homes (MASH) initiative. The program aims to make it easier for households and businesses to go solar, and save on their energy bills, with an option they can trust.

Catalina playground takes off



July saw the opening of the Catalina playground. On the edge of Lake Boga, the playground includes a pod swing, multiplay equipment and a flying fox. Some of the equipment is suitable for all abilities. The project was partially funded by the State Government.

Information Centre showcases art

The Swan Hill Region Information Centre began to showcase and sell artwork from the local Aboriginal community. It followed questions from visitors about buying local Aboriginal art work. Each piece of art tells its own story with a variety of pieces available for purchase.

Youth Arts Festival Ambassadors



Will Garvie and Toni Mia Scalora were announced as ambassadors for Swan Hill's Youth Arts Festival 2019. Youth Arts Festival is an annual one-day event celebrating the talents of young people in our community.

Community groups share in more than \$137,000

Fifty-seven community groups and events shared in more than \$137,000 through Council's community and events grants. Thirty-three events were funded to a total of \$70,500 under the Event Support Fund, including regular and new events. Twenty-four projects were funded to a total of \$67,264 through the Community Development Fund. Grants were provided to projects across the municipality.

August

Local art exhibited

Three local art exhibitions opened at the Swan Hill Regional Art Gallery: *Ultima District Uncovered*, *1000 Years - 10 Centenarians* and *Nyah West*.

Drone workshops for producers

Free drone workshops for local primary producers were held across the Swan Hill municipality, thanks to a partnership between Council and Business Victoria. Workshops showed technology available to enhance current farming practices, and outlined current regulations regarding on-farm drone use.

Year at a glance continued

Robinvale library concept designs revealed



The Robinvale community got its first glimpse of concept designs for the new Robinvale Community Hub Library.

To be built inside an existing building at the front of the Robinvale College grounds, it will be a permanent community library, replacing weekly mobile library visits to Robinvale. It will have community meeting spaces, computers for public access, wifi and internet access, and spaces for study and quiet reading.

The library is a joint project of Regional Development Victoria, the Victorian Education Department, Robinvale College and Swan Hill Rural City Council.

Robinvale's true population

Between 7,000 and 8,800 people are living in Robinvale - more than double the 3,359 figure from the Australian Bureau of Statistics.

The figures were revealed at a community meeting where 50 community members came together to hear the results of a dedicated study into the town's population.

L2P gets permanent Robinvale presence

The TAC L2P Program got a permanent presence in Robinvale after Council made a submission to the Department of Transport to have the program's funding increased.

Council had been operating a pilot program in the area since July 2018, with support from Robinvale College, the Clontarf Foundation and local police.

Boat ramp and skate park opened

Two much anticipated Swan Hill projects were opened to the public – the Milloo Street boat ramp and new Swan Hill Skate Park.

In addition to the extended two-lane boat ramp, a sealed car park and long vehicle parking was completed. Toilets will be built in the near future.

The concrete skate park at Riverside Park has a 1.5m bowl, quarterpipe with platform, and on-the-street section.



The boat ramp project was funded by the State Government's Boating Safety Facilities Program and the Target One Million plan, and Council.

The skate park was funded by the Federal Government's Building Better Regions Fund, the State Government's Regional Development Victoria, and Council.

Drag strip urgent maintenance funded

At a special Council meeting, Councillors approved an unbudgeted expenditure of up to \$170,000 to complete urgent maintenance at Swan Hill's quarter mile drag strip.

Robinvale Community Arts Centre makeover

Roof restoration at the Robinvale Community Arts Centre gave the venue a fresh new look. The theatre received a brand new set of acoustic ceiling tiles and recessed LED down lighting.

September

Bromley Road beautification begins



Work to upgrade and beautify the central part of Bromley Road in Robinvale got underway. The long-awaited \$1.3 million project included widening the road between Ronald and Moore streets, creating angle car-parking, landscaping, and the installation of seating, bike racks and signage.

Skate park celebrations

Swan Hill's new skate park was celebrated with young people attending an event from across the region. The event included BMX demonstrations as well as music.

Transport strategy launch

The launch of the 2019 Central Murray Regional Transport Strategy was held in Mildura. The strategy highlights key transport needs and challenges in the Sunraysia, Murray and Mallee regions on both sides of the Murray River.

It's an initiative of the Central Murray Regional Transport Forum, which comprises Councillors and senior staff from Mildura, Swan Hill, Gannawarra, Buloke, Balranald, Wentworth and Murray River councils.

October

VEC recommendations

Following an electoral structure review, the Victorian Electoral Commission recommended that Swan Hill Rural City Council consist of seven Councillors elected from an un-subdivided electoral structure. Changes would apply at the next general Council election in October 2020.

Live on the Lawn at the gallery

The Swan Hill Regional Art Gallery held its regular Live on the Lawn event, featuring Triple J Unearthed's Zac Slater.

Library partners with Aussie-Driver.com

The Swan Hill Regional Library partnered with Aussie-Driver.com to provide free online access to practice driving tests for people looking to get their learner's permit or probationary licence.

People studying or looking to prepare for their learner's test were encouraged to pop into the library and take advantage of the resources.

Movie for Mental Health

Council's Youth Inc, YACVIC and the Mental Health Week events committee partnered to bring a movie night in Swan Hill. Funds raised via gold coin donation for the event were donated to the Butterfly Foundation. Other events included a Mental Health Week Expo and Community Walk, and Open Mic Night.

Youth artwork shines

Swan Hill's annual Youth Arts Festival 2019 celebrated the talents of young people in the community. The Festival featured live performances and open art spaces.

Concepts for iconic building gets the tick



Concept designs for Swan Hill's iconic new visitor, arts and cultural building were approved at Council's Ordinary Meeting. The ground floor will include an Aboriginal cultural space, Swan Hill Region Information Centre and Pioneer Settlement entrance. The Swan Hill Regional Art Gallery will be on the upper level.

Year at a glance continued

New garden honours Japanese friends



Construction works began on the Yamagata Japanese garden along Monash Drive in Swan Hill. Key features include a wooden footbridge, stone boulder bench, stone lantern, 180 stepping stones, large boulders and almond and pine trees.

Ronald Street housing proposal

Swan Hill Rural City Council proposed to subdivide and develop land on Ronald Street, Robinvale, in a bid to help alleviate the area's housing shortage. Council advertised its intention to sell a 3,260 square metre block of land beside Robinvale College, after subdividing and building eight houses on it.

Better rural access for Higher Mass vehicles

Following recommendations from Council, VicRoads formally published a Higher Mass Limit network for the region, giving farmers and transport companies access to about 2,200 extra kilometres of rural roads.

November

Pedal Park launch

A new Pedal Park was launched at George Lay Park in Swan Hill. The project uses existing infrastructure in the park to display road signs, roundabouts and pedestrian crossings. It encourages children to be active all year round.

The initiative was developed in partnership between Council and Swan Hill District Health.

Riverfront café expressions of interest

Expressions of interest opened for a pop-up café at the Robinvale Riverfront. The initiative aimed to showcase the riverfront and encourage the community to use the space.

Free microchipping for pets

Swan Hill Rural City Council gave residents the chance to microchip their pets for free in Swan Hill. Council also offered free registration up until 10 April 2020 as part of the program. This was a one-off discount on the animal's registration.

Mayor, Deputy Mayor elected



Councillor Bill Moar (pictured above, right) was elected Mayor of Swan Hill Rural City Council. Councillor Chris Jeffery was elected as Deputy Mayor (pictured left).

December

Summer Reading Club returns

The national Summer Reading Club returned to Swan Hill Regional Library for another season.

Author talks at library

The Swan Hill Regional Library hosted two free author talks. Darry Fraser (*The Good Woman of Renmark*, *Daughter of the Murray*, *Where the Murray River Runs* and *The Widow of Ballarat*) and JB Rowley (*Whisper my secret: a memoir*).

Window display competition

Swan Hill, Robinvale and smaller town retailers were encouraged to get into the Christmas spirit in a window display competition. A panel awarded one winner each from Robinvale, Swan Hill and a small town.

Skilled Migration information sessions

Swan Hill Rural City Council and Australian Relocation Migration Services hosted free workshops for employers in Swan Hill and Robinvale regarding Employer Sponsored Skilled Regional Visas.

Open house marks year's end for gallery

The Swan Hill Regional Art Gallery welcomed the 3rd Tamworth Textile Triennial, showcasing the best of textile art from across the country, with the theme of Open House. A local textiles exhibition *Open Weave* was also held.

Library gets into the Christmas spirit

The Swan Hill Regional Library held a special Christmas Storytime for children aged three to five years, full of fun Christmas activities and a visit from Santa Claus.

The library also held their special Carols by Fairy Light event, featuring members of Swan Hill's local caroling group singing all the favourite Christmas carols.

Residents asked to register pools

Residents were asked to register their backyard swimming pools and spas under new State Government laws. The new laws meant private pool and spa owners must register with Council.

Ambitious \$9.2 million project plan

Council released an ambitious plan to leverage \$3.1 million of ratepayer funds to attract government investment and deliver \$9.2 million worth of community projects. Proposed projects included new netball courts in Robinvale, Nyah and Woorinen; Nyah West skate park; Manangatang pool upgrades; Boundary Bend Memorial park upgrades; Swan Hill Aerodrome upgrades; and a municipality-wide art festival.

Adventure Play opens for Christmas



Swan Hill kids got a huge Christmas present – a new adventure playground! The Swan Hill Adventure Playground in Riverside Park opened on Christmas Eve, ensuring it could be enjoyed by families during the busy holiday period. The \$850,000 adventure playground was funded by State and Federal governments, and Council.

January

Planning department goes digital



Council's Planning Department went digital after transitioning to paperless transactions through a new online community portal, myCouncil.

Bugs galore at library

Children of all ages were invited to explore the interesting, fascinating and strange world of bugs at the library from *Animals of Oz*. Bugs included stick insects, litter bugs, a millipede, a centipede, a scorpion and a tarantula.

Performing Arts Program Launch

Council launched a special program for its upcoming performing arts season, covering shows to be held at the Swan Hall Town Hall Performing Arts Centre and Robinvale Community Arts Centre Theatre.

New men's group

A new men's group 'Just Blokes' started meeting. The group encourages older men of all fitness levels to get together every second Friday for some 'Just Blokes' time.

February

Construction booked for the library

Construction works began on the new Robinvale Community Hub Library. To be built inside an existing building at the front of the Robinvale College grounds, it will be a permanent community library, replacing weekly mobile library visits to Robinvale. The new library is a joint project of Regional Development Victoria, the Victorian Education Department, Robinvale College and Swan Hill Rural City Council.

Year at a glance continued

Bringing up great kids

Council's Maternal and Child Health invited parents to join Bringing Up Great Kids - an evidence-based program that ran for six weeks in February. The sessions give parents the opportunity to meet with other parents and find out how to create positive relationships with their own children.

Marketing events for free

Council staff provided assistance to locals in Robinvale and Swan Hill to list events through the Australian Tourism Data Warehouse (ATDW). The ATDW is a central platform that provides free online listings for tourism events.

Early and Middle Years Plan

Council's Early and Middle Years Plan was released for community feedback. The plan focuses on making the community a great place for all families and children from birth to 12 years and beyond. Following consultation, the plan was adopted at Council's April meeting.

New name for motorsport home



Swan Hill's home of motorsport got a new name – Swan Hill Motorplex.

Formerly known as Chisholm Reserve, the facility on Sea Lake-Swan Hill Road is home to Swan Hill Motor Racing Club, Swan Hill Kart Club, Swan Hill Sporting Car Club, Swan Hill Drag Club, Swan Hill Motorcycle Club and Swan Hill 4WD Club. The groups had asked Council to re-name the facility to better reflect its use.

Coffee with a Councillor returns



Council's Coffee with a Councillor sessions returned for 2020. The sessions give the community an informal chance to talk to Councillors over a coffee about their ideas, issues or concerns relating to Council services.

March

Flood Plain at the gallery

The Swan Hill Regional Art Gallery hosted the exhibition *Flood Plain*, which paid tribute to the region's rivers, creeks, lakes and billabongs.

Home hosts sought

The Swan Hill Region Information Centre and Swan Hill Lawn Tennis and Croquet Club put the call out for home hosts for the 2021 Country Week Tennis event, to be held in Swan Hill.

Youth Ball held

The Swan Hill Youth Ball was held at the Swan Hill Leisure Centre. The event is coordinated from start to finish by young people and is supported by Swan Hill NOVO Youth Council, FReeZA, Belgravia Leisure and Council.

Detox Your Home

Residents were urged to make use of the free 'Detox Your Home' household chemical collection when it was held in Swan Hill and Kerang on 14 March.

April

Dead Horse Lane works

Work to reconstruct and seal Dead Horse Lane in Swan Hill commenced. Funded through the Victorian Government's Fixing Country Roads Program, the upgrades included widening the road to 6.2 metres and sealing a 2.3-kilometre stretch of road.

Library subscribes to PressReader

The Swan Hill Regional Library purchased a 12-month subscription to online resource PressReader. The purchase of the subscription aimed to provide the community with a variety of publications and resources while the library doors were closed due to the COVID-19 pandemic.

PressReader provides online access to more than 2,300 newspapers and 3,900 magazines. Publications are available in over 60 languages.

Council meeting live-streamed



Council's Ordinary Meeting for April was livestreamed via its website to allow community members to observe. The meeting was closed to the public in line with Government COVID-19 regulations.

Public Question Time still took place, with members of the public completing a Public Question Time form and submitting it via email.

May

Two projects progress in Robinvale

Tenders for the Robinvale levee bank upgrade and associated drainage works opened, as did public tenders for landscaping and irrigation work along Bromley Road.

Flight school consultation

Council developed a consultation process to consider views of people living near and using the Swan Hill Aerodrome, as it negotiated the terms of a potential lease to a flying school.

Negotiations with the Australian Aviation Alliance were suspended in June after both parties were unable to come to a mutually acceptable agreement.

Thursday night with NOVO

NOVO Youth Council presented "Thursday Night with NOVO" a free live Instagram event which saw performances by six young people. People were encouraged to tune in at home.

Farewell to a Robinvale friend

Patrick Simon, the long-time Mayor of Villers-Bretonneux in France died following a seven-week battle with coronavirus. Mr Simon was a dedicated supporter of the relationship between the Somme region of France and Australia, particularly the Robinvale community through the Robinvale Villers-Bretonneux Association.

Council extended its condolences to Mr Simon's family, friends, the Villers-Bretonneux community, and the Robinvale Villers-Bretonneux Association members.

Flu vaccines

Council reminded the community to get their flu vaccine, particularly in light of the COVID-19 pandemic to ease the burden of flu on the health system.

The Stadium gets a facelift



The Stadium in Swan Hill had a facelift thanks to a partnership between Council and the facility's sporting user groups. Works included new spectator viewing areas, access ramp, seating and exterior cladding. Work was undertaken while The Stadium was closed due to COVID-19 restrictions.

Funding for the project was through the State Government's Pick My Project grant scheme and Council.

Year at a glance continued

Vibrant Villages - love where you live

People in Woorinen, Ultima, Manangatang, Lake Boga, Boundary Bend, Piangil, Beverford, Nyah and Nyah West had even more reason to love where they live, thanks to \$750,000 worth of community upgrades through the Vibrant Villages project.

To be delivered over two years, the project focuses on four key areas – beautification, public infrastructure, recreation and public art. Projects differ for each community. It is funded by the State Government (\$500,000) and Council (\$250,000).

Jett's safe return



Council highlighted the importance of animal registrations through the story of Jett the golden Labrador, who was reunited with his family after escaping from the family home during a thunderstorm.

June

Library opens for click and collect

Following the easing of COVID-19 restrictions, the Swan Hill Regional Library reopened for click and collect services. Through the service, customers could request library materials either online or over the phone. When items were ready, an appointment was made for customers to collect items from the library foyer.

The library also commenced its Housebound Service, and extended it to other library customers in the high-risk category and not currently receiving the service. The service was also extended to customers in outlying communities who would usually access the Mobile Library Service.

Joint effort for greening works

Council partnered with local residents for revegetation works in Tol Tol Road. The project was conducted on a section of road reserve, north of Invincible Bend Lane on Tol Tol Road, 12km south east of Robinvale.

Swan Hill Remembers



The Swan Hill Regional Library was successful in obtaining a \$9,000 grant from the 75th Anniversary of End of World War Two Grant Program. The grant was used towards the making of the film *Swan Hill Remembers*. The library was also planning an exhibition of local World War II memorabilia and artefacts.

New platform for Council procurement

Council changed their procurement program platform to VendorPanel. The new platform will expose businesses to more opportunities and make it easier for Council staff to include businesses in its quotes and tender process.

Aerodrome funding welcomed

Council welcomed the Federal Government's announcement of \$1.2 million in funding for upgrades to the Swan Hill Aerodrome. The funding, which will be matched by Council, will enable the aerodrome to increase its capacity, including allowing larger aircraft to operate at the facility.

Feedback sought from Aboriginal community

Council asked the Aboriginal community to provide their feedback regarding the site options for the Our Place project. Council had also contacted Aboriginal community members to address questions or concerns regarding the Our Place project, including the business case for the project's Aboriginal Interpretive component.



Part two

Year in review

Mayor and CEO message



We are pleased to present the 2019/20 Annual Report to our community.

This Annual Report comes in the middle of the COVID-19 pandemic, and the challenges this has presented for our local businesses, community groups and individuals, of which the impact at the time of writing was still unknown.

Council has only recently seen the re-opening of some of its services, subject to limitations on the number of visitors. This includes its Splatt Street office, Swan Hill Regional Library, Swan Hill Regional Art Gallery, Pioneer Settlement, Swan Hill Region Visitor Information Centre, and gym facilities in Swan Hill and Robinvale.

We'd like to thank everyone in our community for their continued vigilance and understanding during this pandemic, and ask that you continue to remain safe.

While the second half of the year has been dominated by the COVID-19 pandemic, Council's focus throughout the year has continued to be on project and service delivery, advocacy and planning for our municipality's – and region's – future.

Projects delivered

Some great projects were completed this year including the Milloo Street boat ramp, Yamagata Japanese garden and new Skate Park in Swan Hill.

The year also saw the opening of two fantastic playgrounds – the Swan Hill Adventure Playground and the Catalina playground at Lake Boga.

Road works were completed for the \$1.3 million Bromley Road upgrade in Robinvale as well as Dead Horse Lane in Swan Hill.

Other road works include widening and sealing works on Annuello Wemen Road, reconstruction of Station Street

The role of Council includes:

- Acting as a representative government by taking into account the diverse needs of the local community in decision making.
- Providing leadership by establishing strategic objectives and monitoring their achievement.
- Maintaining the viability of the Council by ensuring that resources are managed in a responsible and accountable manner.
- Advocating the interests of the local community to other communities and governments.
- Acting as a responsible partner in government by taking into account the needs of other communities.
- Fostering community cohesion and encouraging active participation in civic life.

at Lake Boga, upgrading of the intersection into the Ultima township, and reconstruction of Rutherford Street between Curlewis and Campbell streets in Swan Hill.

Council's resealing program also took place in April 2020. Among the roads resealed were Lake Boga Ultima Road at Goschen, Lake Boga township streets, Kinghorn Lane Nyah West and Woorinen Road in Woorinen.

Projects in progress

We look forward to the progress of projects in 2020/21 namely, works at the Swan Hill Stadium, completion of Bromley Road landscaping, the new Robinvale Community Library, Lake Boga Active Path and Robinvale levee upgrade.

Another significant project has been Our Place in Swan Hill. Concept designs for this iconic new visitor, arts and cultural building were presented to Council in September 2019.

At a special Council Meeting in July, site option 1 was adopted as the preferred site for the Our Place building. This decision was made following community consultation.

Funding welcomed

This year we again saw strong funding support from Federal and State governments. This included \$1.22 million to upgrade the Swan Hill Aerodrome, allowing



larger aircraft to operate in all weather conditions.

There was also \$500,000 State Government funding towards the \$750,000 Vibrant Villages project, which will see various projects for communities in Woorinen, Ultima, Manangatang, Lake Boga, Boundary Bend, Piangil, Beverford, Nyah and Nyah West.

In June, Council received funding to place 54 staff for up to six months through the State Government's Working for Victoria initiative. The initiative matches people who have lost their jobs due to the economic impacts of the COVID-19 pandemic with local councils.

Robinvale population study and housing

The year also saw the results of a study into Robinvale's true population, which showed between 7,000 and 8,800 people are living in Robinvale. This is more than double the 3,359 figure from the Australian Bureau of Statistics.

Additionally, Council is in the process of sub-dividing and developing land on Ronald Street, Robinvale, in a bid to help alleviate the area's housing shortage and is part of our long-term Robinvale Housing Strategy to improve housing options in the area.

Council advertised its intention to subdivide and build eight houses on a 3,260 square metre block of land beside Robinvale College. This project has further been made possible via \$500,000 in funding from the State Government, matching Council's own contribution.

L2P program permanent presence

It was also great to see the TAC L2P Program get a permanent presence in the Robinvale area. This followed a Council submission to the Department of Transport to have the program's funding increased.

Council had been operating a pilot program in the area since July 2018, with support from Robinvale College, the Clontarf Foundation and local police.

Council performance

Council continued to perform against Key Result Areas from our Council Plan and Service Performance Indicators, as set out by the State Government.

Highlights include the adoption of strategic documents, such as Council's first Municipal Early to Middle Years Plan, new Youth Strategy, Public Convenience Facilities and Urban Trees Management plans.

The Annual Report shows that all key financial ratios – debt commitment, working capital, revenue and debt servicing – remained steady. This is despite the challenges in the second half of the year due to the COVID-19 pandemic.

Our financial position remains strong, with borrowings down to \$3.7 million by the end of next year.

Thank you

Finally, we'd like to thank residents, community groups, businesses and Council officers for contributing to the successes of 2019/20 – as well as your continued resilience during this pandemic. Like all our community members, we look forward to coming out of the other side and continuing to work together towards our municipality's success.

Cr Bill Moar
Mayor

John McLinden
Chief Executive Officer



The Chief Executive Officer is responsible for:

- Establishing and maintaining an appropriate organisational structure for Council.
- Ensuring that the decisions of the Council are implemented without undue delay.
- The day to day management of the Council's operations in accordance with the Council Plan.
- Developing, adopting and disseminating a code of conduct for Council staff.
- Providing timely advice to Council.

Financial Summary

Operating result

On a full accrual basis the surplus for the year was \$7,598,257. It is important to note that this is an accounting profit after recognising non-cash items such as depreciation and amortisation of \$9.79 million and the receipt of infrastructure assets created by developers.

Major revenue and expenditure items included in the operating result can be identified from the following graphs.

For more information on the comprehensive income statement, balance sheet and cash flows for the year, please refer to the audited General Purpose Financial Report in Part Eight of this Annual Report.

Revenue

Council's total revenue for 2019/20 was \$56.4 million as per the Comprehensive Income Statement. A breakdown of Council's revenue sources highlights that 91.3 per cent of Council's income comes from four income categories.

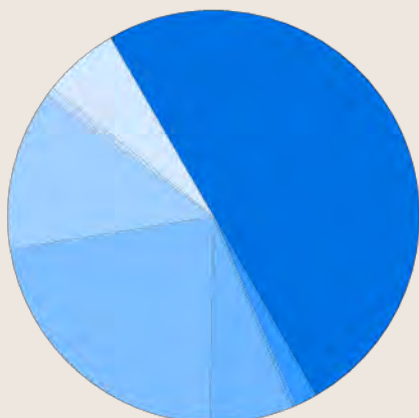
- Rates and garbage charges 50.1%
- Grants - operating 22.2%
- Grant - capital 12.5%
- User fees 6.5%

Expenditure

Council's total expenses for the 2019/20 year were \$48.8 million as per the Comprehensive Income Statement. A breakdown of Council's expenses highlights that 97.1 per cent relates to three expenditure categories.

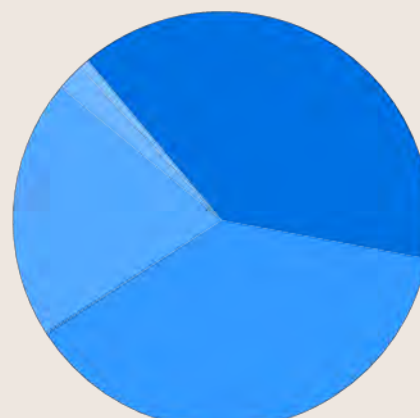
- Employee costs 39.1%
- Materials and services 37.9%
- Depreciation 20.1%

Total revenue (\$56.4 million)



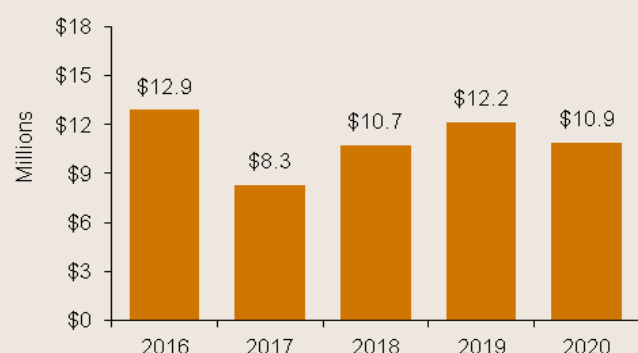
- Rates & garbage charges 50.1%
- Statutory fees & fines 1.7%
- Net gain on disposal of assets 0.3%
- User fees 6.5%
- Grants - operating 22.2%
- Grants - capital 12.5%
- Contributions 0.7%
- Other revenue 6%

Total expenditure (\$48.8 million)

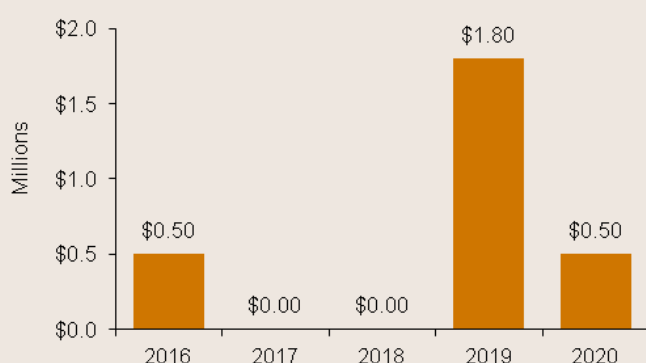


- Employee costs 39.1%
- Materials and services 37.9%
- Bad and doubtful debts 0.1%
- Depreciation & amortisation 20.1%
- Other expenses 2.1%
- Finance costs 0.7%

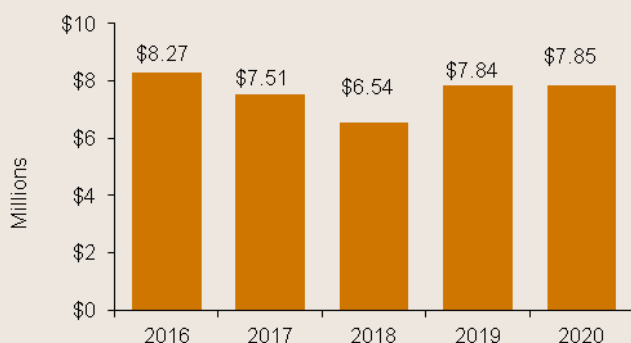
Purchase and creation of assets



New borrowings



Loan balance at 30 June each year



Loan repayments



Capital expenditure

During the financial year, Council spent \$10.9 million on capital works and asset purchases, bringing the five-year total of expenditure on fixed assets to over \$55 million.

The graph at left shows the level of expenditure spent on new and redeveloped assets over the past five years.

Major capital expenditure items were road networks, construction works at Tower Hill, construction of the Chisholm Reserve drag strip and the Livestock Exchange redevelopment.

Borrowings (excluding financial leases)

Loans are used to fund major capital projects and asset purchases. Loan funding allows the community to pay for the asset (such as a leisure centre) over some of the time that it is being used.

At 30 June 2020, Council had a loan liability of \$7.85 million. This is a planned and responsible level of debt, achieved in accordance with Council's borrowing strategy. Loan repayments are currently \$0.49 million per annum.

Total equity



Equity

The Balance Sheet shows total community equity of \$516 million, represented by accumulated surplus and asset revaluation reserve.

The increase in equity is due to the revaluation of Council's land and building assets, and a \$7.6 million surplus in 2019/20.

This graph shows the movement in equity over the past five years.



Financial indicators

Debt commitment ratio

The debt commitment ratio identifies the percentage of rate revenue required to pay interest and principal on Council's loans.

Closely tied to the Borrowing Strategy, the ratio shows that Council is in a healthy position and that it decreased marginally in 2020. Of the \$7.85 million in loans, \$5.3 million are interest only repayment loans.

Working capital ratio

Working capital ratio shows the level of current assets Council has available to meet its current liabilities. The graph shows that the ratio is healthy and has increased over the past four years due to increased levels of cash holdings.

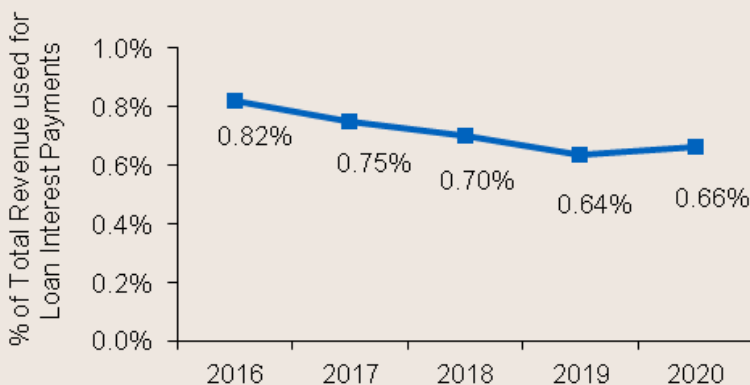
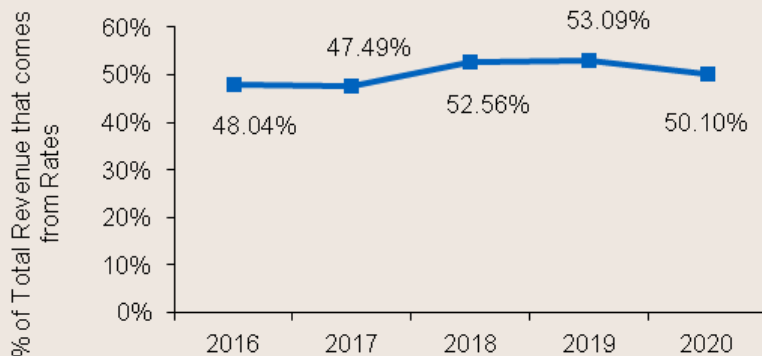
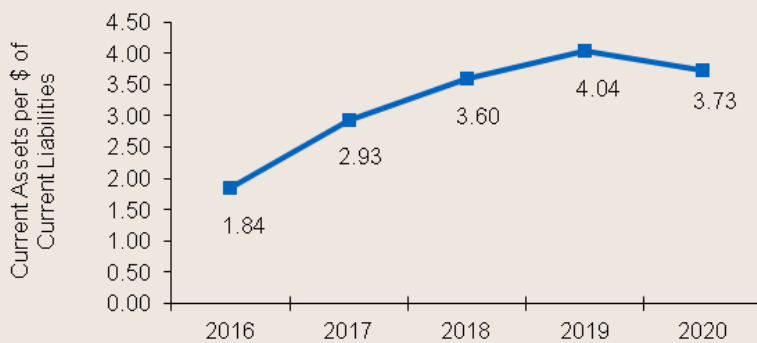
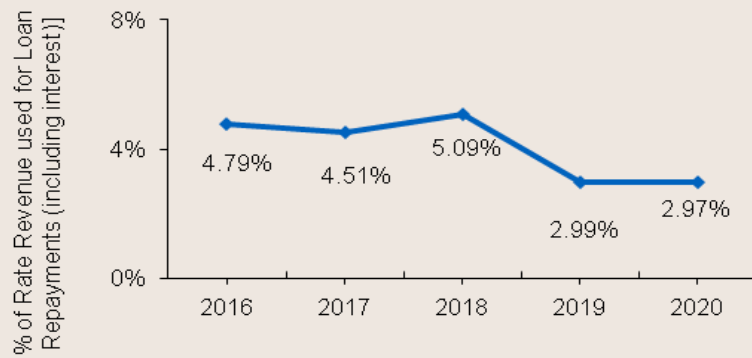
The ratio is expected to decrease marginally in future years.

Revenue ratio

The revenue ratio shows rate revenue as a proportion of total revenue and seeks to measure Council's reliance on property rates. It is influenced by other revenue sources such as government grants, contributions, user fees and charges. This ratio remained steady for the past five years.

Debt servicing ratio

The debt servicing ratio shows the amount of rates required to pay the interest on Council's loan liability. This ratio documents that loan interest does not place a burden on finances.



Description of operations

Swan Hill Rural City Council plays a vital role in shaping the future prosperity, health and wellbeing of our municipality. Council aims to be progressive, dynamic and committed as we aim to achieve this.

Swan Hill Rural City Council delivers more than 100 services to our community.

These range from waste and road management, to managing and improving open space and community buildings.

We deliver services and facilities for children, young people, families and our elderly. We offer business development, town and strategic planning and community health initiatives.

Council's vision, strategic objectives and strategies to improve services and facilities are described in our Council Plan 2017-21 and the associated Budget.

The progress of these strategies and their delivery against the Budget is reported in this Annual Report. Refer to the section on Our Performance for more information about delivery of Council services.

The delivery of core services and facilities are measured by a set of Service Performance Indicators, as you will see in this report. We also track progress on the Initiatives set out in our Council Plan.

Council also has a wide range of responsibilities under both Victorian and Commonwealth legislations.

Economic factors

Council delivered its fourth budget under the 'Fair Go' rates system, with a state-wide rate cap of 2 per cent for the 2019/20 year.



Services provided

Council receives funding from a number of sources and had a budgeted income of over \$56.8 million in 2019/20. Below is a breakdown of the services Council delivered and what these cost, for every \$100 of expenditure.

\$12 Recreation and Community Facilities

Halls, parks, reserves, pools, playgrounds, sporting facilities and street beautification.

\$21 Transport Services

Maintaining over 3,480km of roads, footpaths, signs, street cleaning, tree maintenance and the aerodrome.

\$13 Governance and Administration

Municipal offices in Swan Hill and Robinvale, Councillor support, Council depots and plant equipment.

\$4 Community Care

Domestic assistance and property maintenance for our seniors.

\$7 Environmental and Waste Management

Recycling services, garbage collection, landfills, drainage and environmental management.

\$4 Cultural Services

Performing Arts, Libraries, Art Gallery and Aboriginal Support.

\$3 Family, Youth and Children's Services

Services and support for families, children and youth.

\$6 Pioneer Settlement

Managing, marketing, maintaining and developing this premium tourist attraction, including Heartbeat of the Murray Laser Light Show.

\$14 Economic Development and Marketing Services

Business development and investment, marketing of the region and leases of caravan parks.

\$10 Public Health, Safety and Regulatory Compliance

Animal control and registrations, parking, immunisations, emergency management, lighting and community health.

\$6 Other

Livestock Exchange, property acquisitions and disposal, commercial works, planning and building services.



Major capital works

During 2019/20 the major capital works included:

Our Region, Our Rivers

The Our Region, Our Rivers funding application, led by Swan Hill Rural City Council on behalf of seven local councils, was successful.

The Federal Government will contribute \$16.8 million to waterfront projects across the region, with councils matching it.

So far, six partner councils have received \$2 million in grant funding. Swan Hill projects are now underway with \$1.3 million expended during the year.

Concept designs have been prepared for the “Our Place” building, while the Yamagata Gardens have been completed (\$130,000).

The 29 projects equally funded by the Federal Government (10 for Swan Hill) will progressively be completed over three financial years, concluding in December 2021.

The construction of the new Art Gallery, Visitor Information Centre, Pioneer Settlement entrance and Aboriginal Cultural Experience building (“Our Place”) is the signature works associated with this grant application.

Tower Hill residential estate development

Actual: \$0.89 million

Stage 12 of the Tower Hill residential estate development, consisting of 19 blocks of residential land, was completed and became available for sale in July 2020.

Road reconstruction, sealing and maintenance

Actual: \$8.27 million

Roads around the municipality were reconstructed and/or resealed during 2019/20 including:

- Kenley Road reconstruction - 3km
- Dead Horse Lane reconstruction - 2.3km
- Pethard Road, shoulder resheet
- Chillingollah Road, shoulder resheet
- Woorinen Road, reseal
- Station Street reconstruction

Funding from the Federal Roads to Recovery program contributed to a number of these projects, as did the State Government’s Local Roads to Market and Fixing Country Roads programs.

Boat Ramp Extension (Milloo Street)



The \$360,000 project included extension and widening of the concrete boat ramp, construction of public toilets and provision for long vehicle parking.

Bromley Road Beautification



This \$1.38 million project includes reconstruction and realignment of the town's major arterial road.

Roadworks were completed in 2019/20 and landscaping works have been tendered with practical completion expected in October 2020. Council is receiving matching Commonwealth funding under the Regional Growth Fund for this project

Adventure Playground (Swan Hill Riverside Park)



Council received government funding under the Building Better Regions Fund to incorporate an adventure playground and skate park at Riverside Park in Swan Hill.

Features of the \$1.2 million project include an 8.7m high playtower (the first of its kind in Victoria), 40-metre long double flying fox, giant sandpit, large barbecue shelter with insulated roof and completion of new concrete skate park featuring 1.5-metre bowl and quarterpipe with platform.

Refurbishment Basketball Stadium



Works are well underway to Swan Hill's oldest sporting facility, thanks to a partnership with the facility's sporting user groups.

New spectator viewing areas, access ramp, seating and exterior cladding are being installed. These upgrades have modernised the building.

The \$300,000 works are expected to be complete by September. Council contributed \$100,000 towards the project with a further \$200,000 achieved through the Pick My Project state funding.

Advocacy campaigns

One of Council's key roles is to advocate on behalf of its community. In 2019/20, Council adopted an Advocacy Strategy, which sets out key areas of need and how Council can advocate for improvements. Some of the key projects within that strategy and our progress in 2019/20 include:



Swan Hill Bridge

Council is leading the conversation on the Swan Hill Bridge replacement and working with VicRoads, Roads and Maritime Services and Murray River Council to explore replacement options.

Council continues to take every opportunity to raise with State and Federal Ministers the need for replacement of the bridge.

Council has engaged Transport for NSW and is pursuing the exploration of the feasibility for a McCallum Street alignment.

The group is now awaiting a decision from the NSW Government on removing the heritage listing on the existing Swan Hill Bridge so that a new bridge can be built alongside it.

Sixty million dollars has been allocated to the new bridge in the Federal budget.

Increased housing

The housing shortage in Robinvale is well known. Workers find it hard to get accommodation, and in some cases, end up living in sub-standard conditions.

A report "Robinvale Housing Strategy" was commissioned by Council to explore the issues and options. A number of initiatives followed this report including building eight houses by Council on Ronald Street.

Council agreed to subdivide surplus land in Robinvale to alleviate the shortage of housing in the area. Council will build and sell eight houses in two stages, with a lesser focus on a commercial financial return and a broader focus on social objectives.

The first four houses are expected to be completed in the first half of 2021.

Swan Hill Needs a New Hospital

Council's Advocacy Strategy sets out a goal to "Participate in the community based Swan Hill Needs a New Hospital Committee at Councillor and senior officer level".

This occurred in 2019/20, with Councillors and officers sitting on the committee and providing logistical support to the campaign.

Councillors used every opportunity to raise awareness with State and Federal government representatives (pictured).

In April 2019, Federal Health Minister Greg Hunt and Member for Mallee Andrew Broad announced a \$30 million commitment to a new hospital.

In late in 2019 Georgie Crozier MP raised the campaign in Parliament seeking the release of the feasibility study into Swan Hill's hospital masterplan.

Dr Anne Webster also advocated for a new hospital while in Canberra earlier this year.



Australia Day Local Government Awards

Citizen of the Year - Narelle McClure



Narelle (*pictured left*) has been a staunch supporter and committee member for local football and netball, and for the Robinvale Villers-Bretonneux Association.

As secretary of the Robinvale Villers-Bretonneux Association, Narelle was instrumental in the year-long planning for the 2018 Villers-Bretonneux Commemoration, marking 100 years since the 1918 battle.

Narelle also chaperoned students from Robinvale College to Villers-Bretonneux and the battlegrounds of the Western Front.

Most recently Narelle was instrumental in the success of a visit to Robinvale by 30 French visitors.

She is currently the secretary of Robinvale Junior Football and Cricket and assistant secretary to the Robinvale Football Netball Club.

She has given long and dedicated service to the Department of Education.

Young Citizen of the Year - Hana Roberts

Hana has been a member of the Novo Youth Council since 2017, involved in planning and managing youth events like Make A Change Film Festival, RU Okay? Day, Cruze 4 Awareness, youth leadership camps and Wear It Purple Day.

She was also the Swan Hill Youth Arts Festival Ambassador in 2018, and a member of the festival committee for a number of years.

Hana has used Novo as a platform to advocate for local issues like transport, the tampon tax and youth mental health, including speaking to local politicians about these issues.

At school, Hana has been an active member of St Mary MacKillop College's Arts Committee since 2016, having been the committee captain for her final two years of schooling. She put forward many proposals to the school's leadership team to integrate more visual arts into the school. She has also performed in and worked backstage in school productions.

Hana is a wonderful example of a young entrepreneur, making and selling her own dukkha products at markets and at local businesses.

She has also been involved with Swan Hill City and District Netball, as a player and volunteering to coach younger players.



Community Event of the Year - Nyah District Christmas Carnival

The family-friendly carnival is the major annual community gathering for people in the Nyah District, including the communities of Nyah, Nyah West, Koraleigh, Vinifera and Wood Wood.

The 2019 carnival held on 6 December attracted possibly the largest crowd in the event's history.

The annual carnival provides a positive focus for community members, helping improve wellbeing, and creating wider economic impact for local businesses, school groups and community groups involved.

It strengthens the community by providing unique activities and builds awareness of diverse cultures, while raising the profile of the area, and acts as a source of community pride.

Additionally, it encourages community members to get involved in organising the night.

It also promotes local community groups, helps them to continue operation and helps reinforce their aims.

A committee of just five people puts the Christmas carnival together each year, with fantastic support from community members and sponsors.



Student Achievement award winners

Justine Larona	St Mary MacKillop College
Arlie Atkinson	St Mary MacKillop College
Keysha Kent	Swan Hill College
Ava Thornton	Swan Hill College
Claire Barr	Swan Hill Specialist School
Jodie South	Son Centre Christian College
Leela Godwin-Keune	Swan Hill Primary School
Madison Johnston	Swan Hill North Primary School
Miley Keam	St Mary's Primary School
Connie Leonardi	Woorinen District Primary School
Eden Moloney	Beverford Primary School
Emily Burrow	Lake Boga Primary School
Sara Rogers	Nyah District Primary School
Marie Barry	Manangatang P-12 College
Kelissa O'Shannassy	Manangatang P-12 College
Rocco Chirchiglia	Robinvale St Mary's Primary School
Kaitlyn Martin	Robinvale Secondary College





Part three

Our Council

Our history

For thousands of years, the traditional owners of the lands that now form the Swan Hill Rural City Council lived in the region, with the land providing abundant food sources and a permanent water supply.

In 1836, led by explorer Major Thomas Mitchell, the first Europeans arrived. Settlers started to arrive soon after, establishing large sheep stations next to the Murray River.

In 1871, the Shire of Swan Hill was proclaimed and was located in Kerang (which now forms part of the Gannawarra Shire).

In 1893, the Shire of Castle Donnington was created and centred around the town of Swan Hill. By 1904 it had assumed the name Shire of Swan Hill.

The Borough of Swan Hill was formed in 1939 and in March 1965 became the City of Swan Hill.

Thirty years later, in January 1995, the Shire and the City were amalgamated to form Swan Hill Rural City Council.



Our municipality's profile

The municipality covers 6,116 square kilometres and is home to 20,649 people.

It includes the townships of Swan Hill, Robinvale, Lake Boga, Nyah, Nyah West, Piangil, Woorinen, Ultima, Manangatang, Boundary Bend and Tresco.

Featuring a modern and thriving regional centre, the Swan Hill municipality also boasts the characteristics of rural living, including a strong community and relaxed lifestyle.

With more than 40 commercially grown products – including almonds, olives, stonefruit, grapes, vegetables, cereals, legumes, lucerne, sheep, beef and dairy – it is easy to see why our municipality is an important part of Victoria's food bowl.

Located along the Murray River, tourism plays an important role in our region's* economy. Our climate and natural beauty attract around 917,500 visitors each year based on the Murray Regional Tourism (MRT) Snapshot Report - March 2020, for domestic overnight travel, international overnight travel and domestic daytrips, injecting \$97 million into the region's economy. This report covers eight months of the financial year. MRT has not collated a report for the year ending June 2020 due to the COVID-19 pandemic and low visitation across regions.

Our municipality is also proud to have more than 40 nationalities among its community and a population that is welcoming and resilient.

Continued investment and a strong focus on long-term growth and sustainability remain high priorities for Council.

The Council sets a number of initiatives and targets through each four-year Council Plan, which helps establish the foundations to achieve our vision during the next 30 years.

* Swan Hill Region includes the Swan Hill Rural City, Gannawarra Shire and Balranald Shire

Councillors

The Council is elected to provide leadership and good governance for the municipal district and the local community.

The municipality is divided into four wards, however the seven Councillors are elected as representatives for all residents and ratepayers across the municipality.

They have responsibility for setting the strategic direction for the municipality, policy development, identifying service standards and monitoring performance across the organisation.



**Cr Bill Moar - Mayor
Central Ward**
Elected 2016
(M) 0429 496 194



**Cr Chris Jeffery - Deputy Mayor
Central Ward**
Elected 2016
(M) 0429 447 802



**Cr Lea Johnson
Central Ward**
Elected 2016
(M) 0487 770 456



**Cr Les McPhee
Lakes Ward**
Elected 2008
(M) 0427 319 394



**Cr Ann Young
Central Ward**
Elected 2016
(M) 0409 503 711



**Cr Nicole McKay
Murray Mallee Ward**
Elected 2019
(M) 0436 299 842



**Cr Jade Benham
Robinvale Ward**
Elected 2019
(M) 0436 804 012

Community Satisfaction Survey

Each year, Local Government Victoria coordinates a state-wide local government community satisfaction survey. The survey measures the community's perceptions of their local council's performance in key areas.

During February and March 2020, a total of 400 residents from across the municipality provided their feedback via a telephone survey.

Overall performance

The overall performance index score of 52 for Council represents a decrease on the 2019 result. Overall performance remains seven points down on the peak performance experienced both in 2018 and in 2015 (index scores of 59).

Top performing areas

Council's two highest performing services are:

- Customer service
- Community consultation and engagement

Areas for improvement

Council's two poorest performing services are:

- Sealed local roads
- Community decisions



for overall performance

State average - 58

Large rural council - 55



for overall Council direction

State average - 51

Large rural council - 50



for community consultation

State average - 55

Large rural council - 54



for customer service

State average - 70

Large rural council - 68



for advocacy

State average - 53

Large rural council - 53



for making community decisions

State average - 53

Large rural council - 52



for sealed local roads

State average - 54

Large rural council - 47

Full survey results are available on Council's website - www.swanhill.vic.gov.au



Part four

Our people

Executive Leadership Team

Council is the governing body that appoints a Chief Executive Officer (CEO). The CEO is responsible for the day-to-day management of operations, in accordance with the strategic directions of the Council Plan. Four Directors and the CEO form the Executive Leadership Team (ELT) and lead the organisation.



John McLinden - Chief Executive Officer

John joined Council as its Chief Executive Officer in March 2016. He was previously the Chief Executive Officer of Loddon Shire Council, a position he held since 2005. John, who has a wealth of experience in local government, was previously the Director Operations (and formerly Director Technical Services) at Loddon Shire Council since local government amalgamations in 1995. A qualified engineer, he has also held engineering positions at the Shire of Rosedale, City of Broadmeadows and the Shire of Colac.



Heather Green - Director Development and Planning

Heather started as Council's Director Development and Planning in July 2017. She has extensive local and state government experience across Australia. During her nine years as a manager and director at Victoria's Alpine Shire Council, she focused on sustainable development, planning, tourism and economic development. Heather was at Toowoomba for 15 years as the Manager of Strategic Planning. And during her time working for the Northern Territory Government as the Katherine Land Manager, she oversaw planning, Crown leases and grazing licences. Heather has a Bachelor of Applied Science (Planning).



David Lenton - Director Corporate Services

David is a qualified accountant who joined Swan Hill City Council (now Swan Hill Rural City Council) as Finance Manager in December 1992. Since the amalgamation of the City and Shire of Swan Hill in January 1995, David has held the positions of Financial Controller and Finance and Administration Manager. In 2001 David was appointed as Group Manager Corporate Services, later being reclassified as Director Corporate Services. Before joining local government, David worked for 14 years in various finance roles with a large multi-national company in the private sector.



Bruce Myers - Director Community and Cultural Services

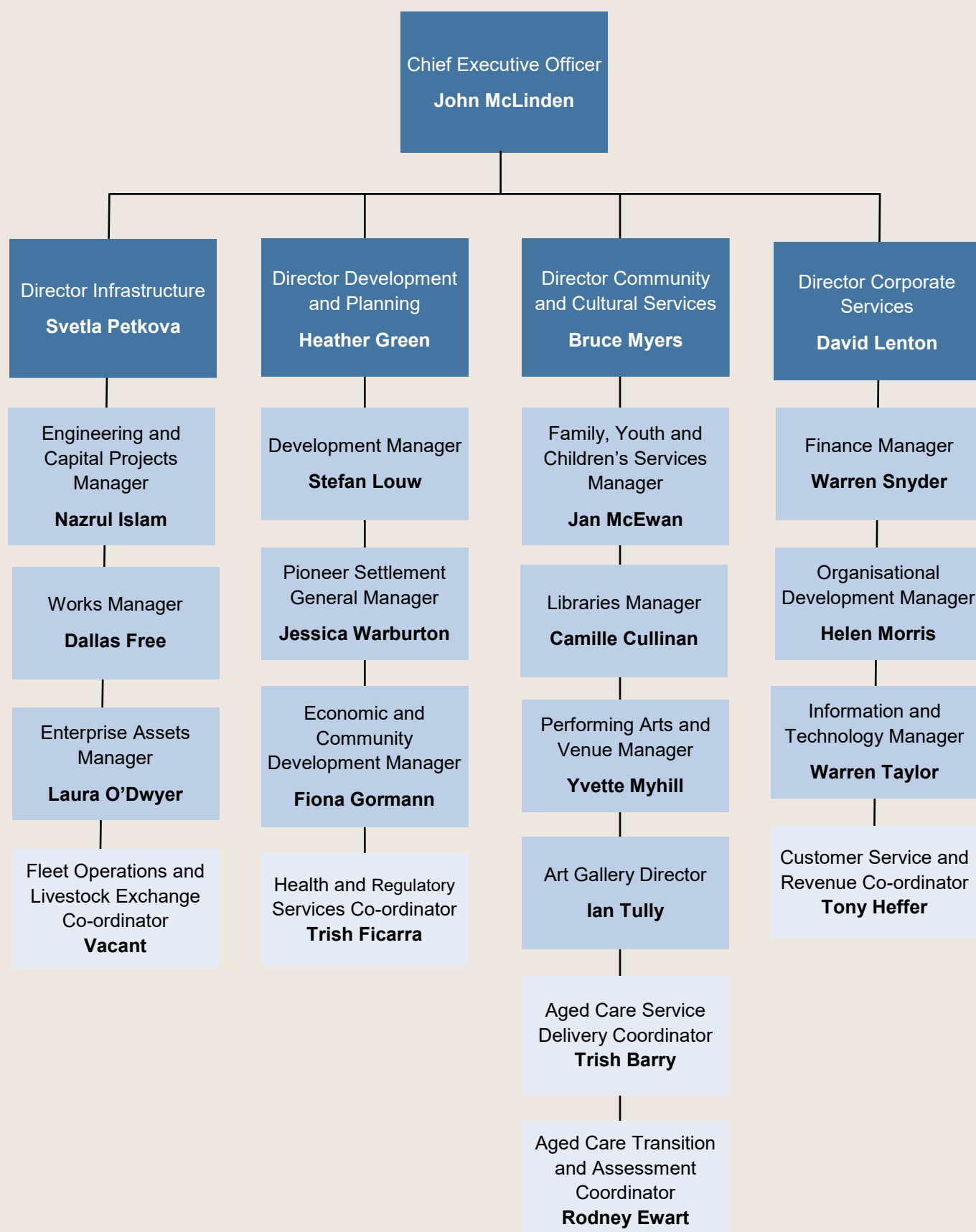
Bruce is a qualified librarian who started his career at the Swan Hill Regional Library, managing the mobile library, in 1994. From 1998 until 2007 Bruce was Manager of the Library. Bruce became the Director Community and Cultural Services in 2007. He now heads a team of about 90 people involved with a wide range of community services, including community-based aged care, children's and youth services and cultural experiences.



Svetla Petkova - Director Infrastructure

Svetla began as Director Infrastructure at Council in December 2017. Svetla is a qualified engineer with a Bachelor of Engineering, a Masters in Engineering, and a PhD in Fluid Mechanics. Before joining Council, Svetla spent more than a decade working in asset management and project delivery in the Victorian water industry, and enterprise asset management within local government in Queensland. As Director Infrastructure, she oversees infrastructure projects and services, manages Council's environmental and natural resource programs, and manages and maintains Council assets.

Organisational structure

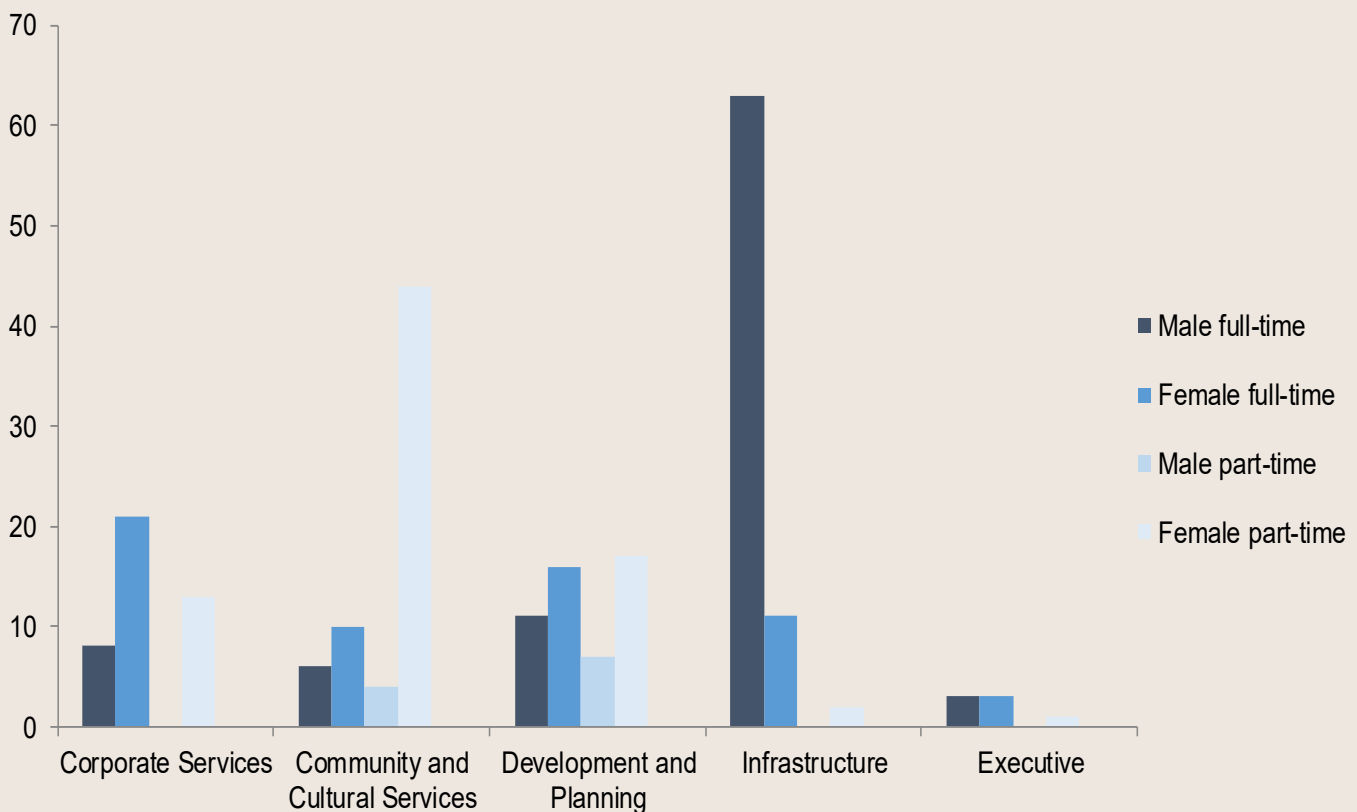


Council employees

A summary of the number of full time equivalent (FTE) Council staff by organisational structure, employment type and gender is set out below.

Directorate	Male full-time	Female full-time	Male part-time	Female part-time	Casual	Total Staff	Male total EFT	Female total EFT	EFT total
Corporate Services	8	21	-	13	-	42	8.0	29.9	37.9
Community and Cultural Services	6	10	4	44	17	81	8.5	37.5	46.0
Development and Planning	11	16	7	17	11	62	14.6	27.9	42.5
Infrastructure	63	11	-	2	2	78	63.3	12.2	75.5
Executive	3	3	-	1	-	7	3.0	3.7	6.7
Total	91.0	61.0	11.0	77.0	30.0	270.0	97.4	111.2	208.6

Number of staff (FTE)



Council employees

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

Employment Classification	Male EFT	Female EFT	Total EFT
Band 1	-	0.7	0.7
Band 2	0.9	0.5	1.4
Band 3	46.0	23.6	69.6
Band 4	8.2	24.7	32.9
Band 5	7.7	22.4	30.1
Band 6	11.6	15.0	26.6
Band 7	3.0	3.5	6.5
Band 8	-	0.6	0.6
Non-banded positions (includes salary packages)	20.0	20.2	40.2
Total	97.4	111.2	208.6

Valuing our people

At Swan Hill Rural City Council, we recognise the importance that each individual plays in achieving our goals.

Our aim is to ensure that Council is a great place to work, where the capability of our people is nurtured and performance is focused on delivering exceptional service for our communities.

These priorities drive the activities, policies and procedures implemented to ensure that Swan Hill Rural City continues to be a great place to work.

Council's staff strategies include:

- A focus on extending the skills of staff to increase efficiency.
- Ongoing implementation of the workforce strategy including: succession planning, recruitment and retention of staff, apprenticeships, traineeships and/or scholarships, and accessing non-customary employment pools.
- Offering phased retirement options to extend the careers of higher skilled staff.
- Ongoing development of systems and processes to continually improve productivity.

Other staff matters

Equal Employment Opportunity Program

As an equal opportunity employer, we are dedicated to providing a workplace where diversity is embraced and decisions are merit-based. This includes ensuring fair, equitable and non-discriminatory consideration being given to all job applicants, regardless of age, sex, disability, marital status, pregnancy, sexual orientation, race, religious beliefs or other irrelevant factors.

We recognise our proactive duty to ensure compliance with equal opportunity and Council ensures all staff undertake mandatory equal opportunity training every three years.

Our Equal Employment Opportunity Policy and Procedure supports our organisation in fulfilling its obligations under the *Equal Opportunity Act 2010*. In 2019/20, 51 employees undertook Equal opportunity training, as well as 55 employees successfully completing Culture at Work training.

Council also has an online bullying and harassment course, with 61 staff completing this training. Equal opportunity is also covered in policy and procedure training and all staff are informed of Council's dedication to equal opportunity during staff induction. We have six equal opportunity contact officers available to provide guidance and assistance.

Scholarship Program

Council's Scholarship Program supports up to seven local students who are completing undergraduate or TAFE studies during the school year. In addition to financial support, students receive valuable on-the-job experience by working at Council during semester breaks.

Students participating in the program are:

- Jacob Mathieson, Bachelor of Environmental and Conservation Science at the Swan Hill Depot.
- Tessa Myers, Bachelor of Psychological Science in the Economic Development Department.
- Noah Angus, Bachelor of Civil Engineering (Honours), in the Engineering Department.
- Anna Quinn, Bachelor of Commerce in the Economic Development Department.

Enterprise bargaining agreement

In July 2018, the Consultative Committee comprising management representatives, nominated workplace union delegates and union industrial officers negotiated a new Enterprise Agreement for Council employees. As a result, a new Enterprise Agreement was successfully negotiated and approved by Fair Work Australia, with an operative date of 22 March 2019 for a period until 30 June 2021.

Professional development

Council is committed to providing learning and development opportunities to support the continuing professional development of its staff.

This year staff have accessed a range of learning and development opportunities including on-the-job training and coaching; attendance at courses, workshops, seminars, conferences, webinars, and meetings; and participation in professional networks. More than 5,000 hours of organisational training was provided to staff during the year, or 24 hours per EFT.

Council also offers study assistance for staff undertaking relevant undergraduate or postgraduate studies.

Fast facts

More than **5,000** hours of organisational training was provided during 2019/20.

That equates to **24** hours of training per EFT employee.

Over **200** online e3Learning courses are available to Council employees

Online training

Council continued to offer an expanded suite of compliance courses through e3Learning - an online learning program.

All internal courses are developed with industry experts and the courses are delivered in an engaging and easy to use format.

Courses are designed in line with relevant legislation, are fully customisable and are suitable for Council.

The system also allows both administrators and end users to record attendance and completion of in-person training (accredited and non-accredited).

Health, safety and wellbeing

Council continued its commitment to staff health, safety and wellbeing by continuing several programs to encourage a healthy lifestyle and improved work/life balance. Programs include:

- Ergonomic assessments
- OHS and manual handling training
- Providing sunscreen and insect repellent
- Six-weekly issues of the HR Newsletter outlining Council policies and procedures, professional development and wellbeing
- Employee wellbeing initiatives including the flu vaccination program undertaken by Council's Public Health Unit, and subsidised gym memberships
- Ongoing compliance with the MAV WorkCare Self-insurance Scheme
- Ongoing provision of Council's Employee Assistance Program for employees requiring support and/or counselling for work and non-work related matters.

OHS Committee

Council's OHS Committee consists of management and staff representatives. The committee meets every two months to review policies, review hazard and injury incidents, discuss workplace OHS issues and identify opportunities to improve Council's OHS performance. The committee met six times during 2019/20.

In 2019/20 there were 30 reported injuries compared to 26 in the previous year. There were six lost time injuries (standard WorkCover Claims), compared to five in the previous financial year.



Staff service awards

Every year Council acknowledges service and presents awards to staff who have reached service milestones. Ten staff were presented with Staff Service Awards at the annual all-staff function in August 2019.

10 years

Mathew Edwards
Julie-Anne Nelson
Juliet Pearce
Lauren Bowen
Dione Heppell
Robyn Patterson
Simon Burge
Grant Jones
Diane Speedie
Darren Rovere
Gordon Dickie



20 years

Belinda Howard
Meagan Monk



25 years

Bruce Myers
Gregory Critchley
Geoffrey Kitt

Staff Recognition Awards

Governance and Leadership: **Our Region Our Rivers Team/Media and Executive (joint winners)**

Community Enrichment: **Kane Sparks**

Economic Growth: **Emily Siely**

Infrastructure: **Kimmly Johnston**

Innovation/Customer Service: **Regan Carlson**

The very worthy winner of the overall Staff Recognition Award went to the **Our Region Our Rivers Team** for their outstanding work in successfully bringing together seven councils to gain funding for a multitude of projects.



Part five

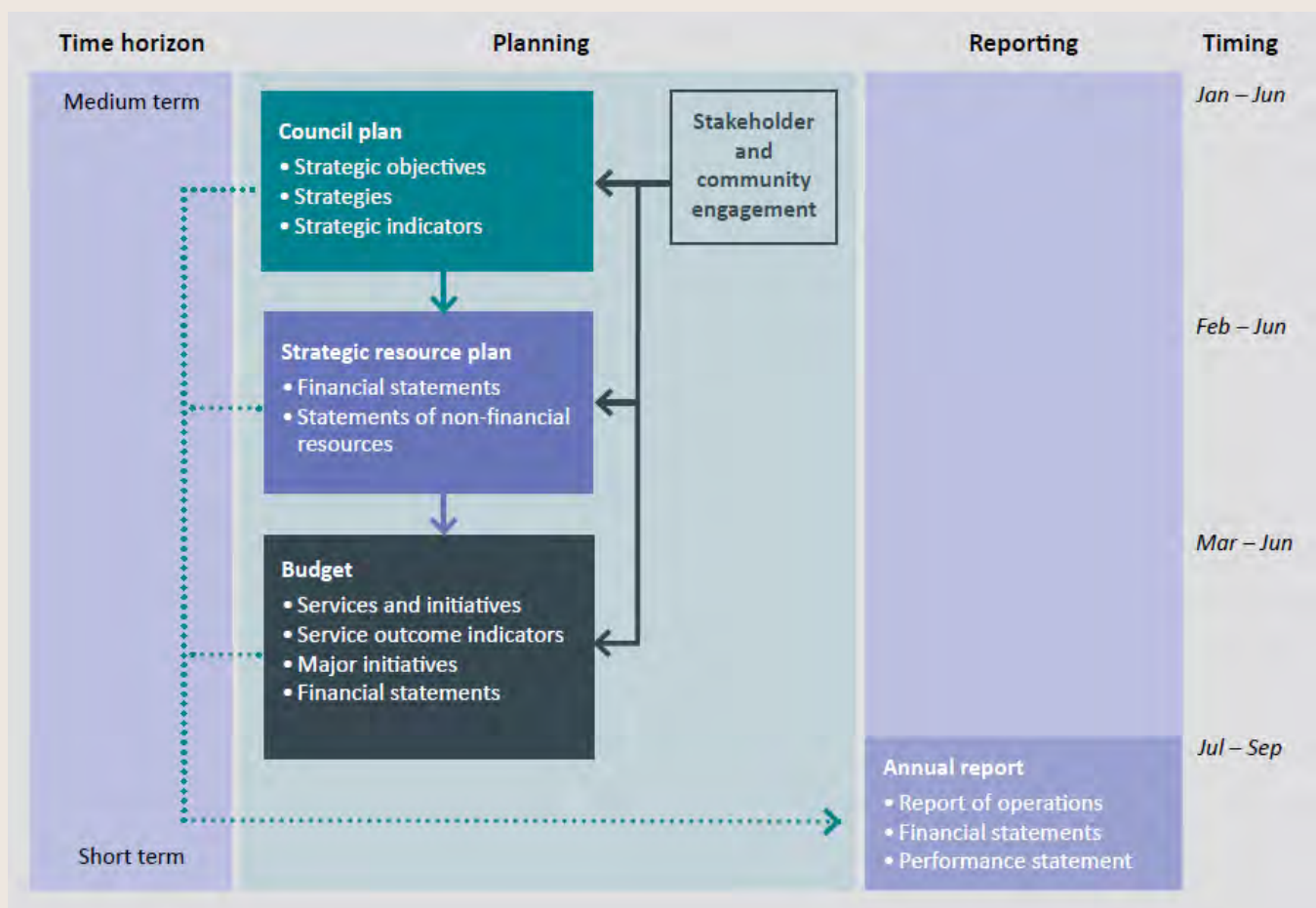
Our performance

Our performance

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

- A council plan within the six months after each general election or by 30 June, whichever is later
- A strategic resource plan for a period of at least four years and include this in the council plan
- A budget for each financial year
- An annual report in respect of each financial year.

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



Council Plan

The Council Plan 2017-21 includes strategic objectives, strategies for achieving these for the four-year period, strategic indicators for monitoring achievement, and a strategic resource plan.

Performance

Council's performance for the year has been reported against each Key Result Area to demonstrate how Council is performing in relation to the 2017-21 Council Plan.

Performance has been measured as follows:

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

Our key result areas	
Economic Growth	<p>We will:</p> <ul style="list-style-type: none">• Encourage and attract new business to our region.• Assist existing businesses to expand and increase their efficiency.• Have a region with an equipped and productive workforce.• Provide land use planning that is responsive and which proactively encourages appropriate development.
Community Enrichment	<p>We will:</p> <ul style="list-style-type: none">• Help all people to find a place in our community.• Provide services and support initiatives that create a healthy and safe community.• Develop a community with a sense of pride and responsibility/ownership that strives to achieve its aspirations.
Infrastructure	<p>We will have:</p> <ul style="list-style-type: none">• Infrastructure that appropriately services community needs.• Infrastructure that is provided and appropriately maintained in accordance with agreed standards.• A strong focus on asset management systems and planning.
Governance and Leadership	<p>We will have:</p> <ul style="list-style-type: none">• Positive community engagement through appropriate and constructive consultation.• Effective and efficient utilisation of resources.• Effective partnerships and relationships with key stakeholders and staff.• Effective advocacy and strategic planning.
Environment	<p>We will have:</p> <ul style="list-style-type: none">• Sound policies and practices that protect and enhance our environment.• A waste management program that is environmentally and financially sustainable.

Key Result Area 1: Economic Growth

Council Plan Initiatives

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

✓ Completed >> In progress/continuing in 2020/21 - Carried over to 2020/21

Council Plan Initiative	Action	Status
Identify the types of businesses suited to this region and develop investment prospectuses	Perform an industry gap analysis	>>
Investigate and identify potential export opportunities and facilitate connections	Analyse the region's products and identify where we have competitive advantages that may provide opportunities for growth	>>
Pursue new businesses that are upstream processors for our local produce	Engage with local industry to identify opportunities	>>
Increase the availability of appropriate housing to support growth of industry and agriculture	Investigate the housing needs and identify appropriate solutions	>>
Encourage the growth of agriculture through appropriate advocacy and strategic planning	Advocate for improved transport links	✓
Investigate opportunities for agricultural businesses to establish new enterprises	Engage with local industry to identify opportunities, for example clean energy on farms	✓
Encourage organisations to joint tender for works and services	Investigate and where possible implement shared contracts and services with the region's councils	>>
	Conduct workshops and provide advice to local business and tenderers to improve their tendering processes	>>
Actively pursue opportunities for regionally focused infrastructure	Advocate for additional and upgraded infrastructure that will improve efficiency of local businesses e.g. rail freight	>>
	Advocate for adequate and alternative utilities supplies	>>

Council Plan Initiative	Action	Status
Encourage and assist existing business to pursue value adding to their industry	Undertake forums and discussions with industry to understand opportunities	>>
	Complete an analysis of relevant industry data	>>
Improve the commercial position of the Pioneer Settlement	Enhance the Heartbeat of the Murray night time product by improving operational effectiveness and adding additional elements to the visitor experience	✓
	Review the promotion plan	✓
Encourage the development of appropriate accommodation for various workforces	Review the Municipal Strategic Statement (MSS) and Planning Scheme to ensure diverse housing and land is available	>>
	Investigate opportunities for improved public transport	>>
Review of the availability and suitability of industrial land in Swan Hill and Robinvale	Completed an Industrial Zones Strategy	✓
Formulate new ways to encourage new business development	Develop a business expansion strategy	✓
	Commence an Investment Attraction campaign	>>
Investigate and identify potential export opportunities and facilitate connections	Investigate what role Council can play with development of new markets	>>
Promote new technologies and ways of working	Investigate and market opportunities for internet based businesses	>>
Investigate opportunities for Agricultural businesses to establish new enterprises	Investigate opportunities for agri-tourism products and experiences e.g. paddock to plate, farm stays	>>

Council Plan Initiatives continued

✓ Completed >> In progress/continuing in 2020/21 - Carried over to 2020/21

Council Plan Initiative	Action	Status
Investigate options for investment in renewable energy technologies for the municipality	Complete and adopt a study	>>
Assist local businesses to up-skill and retrain their workforce	Identify skills shortages and training gaps	>>
	Advocate for support for regional training opportunities	>>
Implement the Workforce Development Strategy	Complete a project to quantify labour force data from within the municipality, with a particular focus on agricultural sector	>>
Investigate and develop options for de-watered farming land	Complete audit of areas with de-watered land	✓
Review of the availability and suitability of industrial land in Swan Hill and Robinvale	Amend planning scheme as appropriate	>>

Major Initiatives

The following statement reviews the progress of Council in relation to major initiatives identified in the 2019/20 Budget.

Major Initiative	Progress
Provide seed funding for economic development initiatives (Budget \$106,000 Actual \$102,943).	Complete.
Tower Hill residential estate development (Budget \$984,990 Actual \$969,376).	Complete.
Distribution of grant funds to partner councils in the Our Region Our Rivers Federal Government funding projects (Budget \$4,498,705 Actual \$1,998,942).	Complete. To date grant funding of \$1,998,942 has been received and the full amount distributed to partner councils.
Art Gallery and interpretive centre development – Our Region Our Rivers funding (Budget \$1,467,590 Actual \$213,259).	Incomplete.
Car parking and footpaths in conjunction with the Art Gallery and interpretive centre development – Our Region Our Rivers funding (Budget \$562,500 Actual \$7,280).	Incomplete
Bromley Road, Robinvale beautification – Our Region Our Rivers funding (Budget \$207,000 Actual \$929,660).	Incomplete. Additional grant funds received for the project under Our Region Our Rivers.



Services funded in 2019/20 Budget

The following statement provides information in relation to the services funded in the 2019/20 Budget and the persons or sections of the community who are provided the service.

Service Area	Description of services provided	Budget <u>Actual</u> Variance \$000
Building and planning statutory services	Provide statutory planning services including processing all planning applications, providing advice and making decisions about development proposals that require a planning permit. Representing Council at the Victorian Civil and Administrative Tribunal (VCAT) where necessary. Monitor Council's Planning Scheme and prepare major policy documents shaping the future of the municipality. Provide statutory building services to the community, including processing building permits, emergency management responsibilities, fire safety inspections, swimming pool barrier audits and complaints, and illegal building works investigations.	453 <u>298</u> (155)
Caravan parks	Provide and maintain caravan park facilities to a standard that promotes local tourism and supports a high quality of life.	(17) <u>(67)</u> (50)
Economic development	Assist the organisation with economic development to facilitate an environment that is conducive to a sustainable and growing local business sector, and provides opportunities for local residents to improve their skill levels and access employment.	1,495 <u>1,545</u> 50
Livestock exchange	Provide a livestock selling facility and associated services to primary producers, purchasers and stock agents.	(188) <u>(374)</u> (186)
Pioneer Settlement	Care for and conserve the Pioneer Settlement and its collection. Market and promote the Settlement as a tourist destination, provide quality visitor programs and promote the sale of merchandise as an additional source of income.	841 <u>987</u> 146

Service Performance Indicators

The following statement provides the results of the prescribed service performance indicators and measures.

Service/Indicator/Measure	Results 2017	Result 2018	Result 2019	Result 2020	Material Variation
Statutory Planning					
Timeliness					
<i>Time taken to decide planning applications</i> [The median number of days between receipt of a planning application and a decision on the application]	53	57	47	49	
Service standard					
<i>Planning applications decided within 60 days</i> [Number of planning application decisions made within 60 days / Number of planning application decisions made] x 100	82.69%	70.55%	82.63%	85.53%	
Service cost					
<i>Cost of statutory planning service</i> [Direct cost of statutory planning service / Number of planning applications received]	\$2,559.57	\$2,867.51	\$2,540.06	\$3,417.33	The increase to the cost of the service is due to additional training costs, equipment purchases and higher legal fees due to unforeseen planning issues.
Decision making					
<i>Council's planning decisions upheld at VCAT</i> [Number of VCAT decisions that did not set aside Council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x 100	50%	-	-	-	No planning application decisions were reviewed by VCAT in 2019/20.

Key Result Area 2: Community Enrichment

Council Plan Initiatives

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

✓ Completed >> In progress/continuing in 2020/21 - Carried over to 2020/21

Council Plan initiative	Action	Status
Review and implement the Aboriginal Partnership Plan	Undertake initiatives with the intent to work toward developing a Registered Aboriginal Party (RAP)	>>
Investigate opportunities to develop Aboriginal leadership capabilities	Investigate leadership opportunities e.g. scholarship, grants, host a forum with young people and local service providers	>>
Establish and maintain partnership with organisations that support Culturally and Linguistically Diverse (CALD) communities	Review of service access plans to ensure inclusion	✓
Strengthen our connection with youth	Review the structure of the Youth Council with young people	✓
	Develop work placement and work experience programs	>>
Develop and implement Cultural Services Plan	Develop and adopt a plan	✓
Plan for the development of the Swan Hill Regional Art Gallery precinct	Determine the long-term site for Swan Hill Regional Art Gallery	✓
	Prepare final gallery designs for approval and costed	>>
Strategically position Council's ongoing role regarding the community-based aged care reforms	Produce an options paper on integration of Commonwealth Home Support Program to National Standards	✓
	Develop Positive Ageing Plan	-

Council Plan initiative	Action	Status
Review and determine Council's role in early years and child care services	Review early years services	>>
	Produce a report on outcomes and provide recommendations	>>
	Develop an Early Years Plan (EYP)	✓
Improve personal and community safety by working with partners on community safety issues	Promote awareness of the Community Charter for the Prevention of Violence against Women	>>
	Implement the requirements of Child Safety Standards	✓
Expand library services in Robinvale and review the delivery of library services in our small communities.	Develop an effective partnership arrangement with Robinvale P-12 College	>>
Investigate the need for an off-leash dog park	Develop a project scope if the community need is identified	>>
Support the capacity of communities to self-manage and self-regulate.	Implement ways to encourage all communities to actively participate in the community grants program	>>



Major Initiatives

The following statement reviews the progress of Council in relation to major initiatives identified in the 2019/20 Budget.

Major Initiative	Progress
Group fitness room at the Swan Hill Leisure Centre (Budget \$450,000 Actual \$22,880).	Incomplete
Continue to engage a Rural Access Co-ordinator, with the aim of creating inclusive communities (Budget \$73,575 Actual \$160,268).	Complete
Continue implementing Community Plans and projects (Budget \$401,495 Actual \$66,000).	Incomplete
Host the Fairfax Festival (Budget \$101,285 Actual \$150).	Incomplete
Develop a renewed Youth Strategy (Budget \$50,000 Actual \$36,673).	Incomplete
Deliver the Empower Youth initiative (Budget \$124,785 Actual \$81,475).	Incomplete



Services funded in 2019/20 Budget

The following statement provides information in relation to the services funded in the 2019/20 Budget and the persons or sections of the community who are provided the service.

Service Area	Description of services provided	Budget <u>Actual</u> Variance \$000
Aged and disability services	A range of home and community care services for the aged and people with a disability including home delivered meals, personal care, transport, dementia care, home maintenance, housing support and senior citizen clubs.	3 <u>(171)</u> (168)
Family and children services	Family oriented support services including pre-schools, maternal and child health, youth services, family day care, out of school hours, and holiday programs.	926 <u>742</u> (184)
Community development	Effective and ongoing liaison with, and support to, community and recreation groups. Support for the development and implementation of Community Plans and liaison with our Indigenous community.	1,005 <u>189</u> 1,194
Leisure centres	A wide range of programs and services giving the community a chance to participate in cultural, health, education, and leisure activities that contribute to the community's general wellbeing.	1,428 <u>1,114</u> (314)
Public health and regulatory services	Coordinating food safety, immunisations and management of public health concerns to ensure an acceptable state of physical, mental and social wellbeing is maintained within the community. This service also provides staff at school crossings throughout the municipality, animal management services, parking control and enforcement, and provides education, regulation and enforcement of the general Local Law and relevant state legislation.	559 <u>496</u> (63)
Cultural services	Performing arts, art gallery and library services. This is a customer-focused service that caters for the cultural, educational and recreational needs of residents, while offering a place for the community to meet, relax and enjoy the facilities and services. Includes the operation and maintenance of the Swan Hill Town Hall and Performing Arts Centre.	1,928 <u>1,322</u> (606)

Service Performance Indicators

OUR PERFORMANCE

The following statement provides the results of the prescribed service performance indicators and measures.

Service/Indicator/Measure	Result 2017	Result 2018	Result 2019	Result 2020	Material Variation
Maternal Child Health					
Satisfaction					
<i>Participation in first MCH home visit</i> [Number of first MCH home visits / Number of birth notifications received] x 100	96.25%	90.35%	94.90%	-	Indicator retired in 2020.
Satisfaction					
<i>Participation in 4-week key age and stage visit</i> [Number of 4-week key age and stage visits / Number of birth notifications received]	-	-	-	96.65%	New Indicator in 2020.
Service standard					
<i>Infant enrolments in the MCH service</i> [Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth	100.63%	100.00%	100.00%	102.13%	
Service cost					
<i>Cost of the MCH service</i> [Cost to Council of the MCH service / Hours worked by MCH nurses]	\$73.87	\$94.60	\$81.12	\$91.19	The increase to the cost of the MCH service in 2019/2020 is largely due to the salary for the manager being included. In previous years the manager's salary was included in the Family Day Care budget. Council ceased to operate the Family Day Care program at the end of 2018/19.
Participation					
<i>Participation in the MCH service</i> [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x 100	73.28%	73.03%	73.14%	75.04%	Increased participation came from Aboriginal families unable to consult with the Mallee District Aboriginal Service due to difficulties in recruitment of MCH nurses.
<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] x 100	41.88%	62.18%	60.08%	66.20%	Mallee District Aboriginal Service (MDAS) in Swan Hill has their own MCH Service but over the past 12 months they have not had a permanent MCH nurse. Aboriginal families that would normally attend the MDAS Service have been accessing our MCH service during this period.

Service/Indicator/Measure	Result 2017	Result 2018	Result 2019	Result 2020	Material Variation
Animal Management					
Timeliness					
<i>Time taken to action animal requests</i> [Number of days between receipt and first response action for all animal management requests / Number of animal management requests]	1.0	1.0	2.0	1.47	Responsive service delivery was a focus for 2019/20.
Service standard					
<i>Animals reclaimed</i> [Number of animals reclaimed / Number of animals collected]	25.75%	31.16%	21.88%	22.22%	
Service cost					
<i>Cost of animal management service</i> [Direct cost of the animal management service / Number of registered animals]	\$69.83	\$67.01	\$69.73	-	Indicator retired in 2020.
Service cost					
<i>Cost of animal management service per population</i> [Direct cost of the animal management service / Population]	-	-	-	\$10.01	New Indicator in 2020.
Health and safety					
<i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	1	2	-	-	Indicator retired in 2020.
Health and safety					
<i>Animal management prosecutions</i> [Number of successful animal management prosecutions/ Total number of animal management prosecutions] x 100	-	-	-	0	There were no animal management prosecutions in 2020. New Indicator in 2020.
Aquatic Facilities					
Service standard					
<i>Health inspections of aquatic facilities</i> [Number of authorised officer inspections of Council aquatic facilities / Number of Council aquatic facilities]	1	0	1	0.6	Public Health was unable to complete inspections on all aquatic facilities due to facility closure due to COVID-19.
<i>Reportable safety incidents at aquatic facilities</i> [Number of WorkSafe reportable aquatic facility safety incidents]	1	1	0	-	Indicator retired in 2020.

Service Performance Indicators continued

Service/Indicator/Measure	Results 2017	Result 2018	Results 2019	Results 2020	Material Variation
Service cost					
Cost of indoor aquatic facilities [Direct cost of indoor aquatic facilities less income received / Number of visits to indoor aquatic facilities]	\$6.58	\$7.85	\$7.13	-	Indicator retired in 2020.
Cost of outdoor aquatic facilities [Direct cost of outdoor aquatic facilities less income received / Number of visits to outdoor aquatic facilities]	\$16.08	\$18.11	\$22.57	-	Indicator retired in 2020.
Cost of aquatic facilities [Direct cost of aquatic facilities less income received / Number of visits to the aquatic facilities]	-	-	-	\$13.69	New Indicator in 2020.
Utilisation					
Utilisation of aquatic facilities [Number of visits to aquatic facilities / Municipal population]	6.15	5.51	5.57	4.56	Decrease in number of visits due to facility closure in 2020 due to COVID-19.
Food safety					
Timeliness					
The time taken to action food complaints [Number of days between receipt and first response action for all food complaints / Number of food complaints]	1.00	1.82	1.10	1.80	Public Health team actioned food complaints on the same day the complaint was received, or following working day. Due to the small numbers the variance percentage shows as very high even through data change is very small (0.6 of a day).

Service/Indicator/Measure	Results 2017	Result 2018	Result 2019	Results 2020	Material Variation
Service standard <i>Food safety assessments</i> [Number of registered class 1 food premises and class 2 food premises that receive an annual food safety assessment in accordance with the Food Act 1984 / Number of registered class 1 food premises and class 2 food premises that require an annual food safety assessment in accordance with the Food Act 1984] x 100	94.44%	87.15%	93.17%	84.97%	
Service cost <i>Cost of food safety service</i> [Direct cost of the food safety service / Number of food premises registered or notified in accordance with the Food Act 1984]	\$850.09	\$498.68	\$455.11	\$488.61	
Health and safety <i>Critical and major non-compliance outcome notifications</i> [Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance notifications and major non-compliance notifications about food premises]	100.00%	94.74%	81.25%	100.00%	In 2018 one follow-up inspection did not occur due to an oversight and one premise ceased trading after the initial inspection meaning a follow-up could not be conducted. All major non-compliances from 2018 and 2019 received follow-up inspections in 2019.

Service Performance Indicators continued

Service/Indicator/Measure	Results 2017	Result 2018	Result 2019	Results 2020	Material Variation
Libraries					
Utilisation					
Library collection usage [Number of library collection item loans / Number of library collection items]	1.59	1.67	1.61	1.24	The usage of the library collection decreased in 2019/20 as the library service was closed to the public from 23 March 2020 to 1 June 2020 due to COVID-19 restrictions. Therefore no items could be borrowed during this time and the due dates of all items on loan at this time were extended rather than renewed.
Resource standard Standard of library collection [Number of library collection items purchased in the last five years / Number of library collection items] x 100	45.28%	53.41%	54.28%	48.61%	During the library's closure to the public due to COVID-19 restrictions, a larger portion of the budget than usual was allocated to the purchase of e-audio books for the library's online collection. These items are more expensive than physical items therefore fewer collection items were purchased in 2019/20.
Service cost Cost of library service [Direct cost of library service / Number of visits]	\$13.34	\$16.23	\$14.21	-	Indicator retired in 2020.
Service cost Cost of library service [Direct cost of library service / population]	-	-	-	\$46.96	New Indicator in 2020.
Participation Active library borrowers [The sum of the number of active library borrowers in the last 3 financial years / the sum of the Municipal population in the last 3 financial years] x 100	19.91%	18.08%	16.90%	16.28%	Library participation decreased in 2020 as the library service was closed to the public from 23 March 2020 to 1 June 2020 due to COVID-19 restrictions. Indicator change in 2020: From 'Active library members' to 'Active library borrowers'.

Community funding

Swan Hill Rural City Council recognises, respects and values the contribution that community, sporting and not-for-profit organisations make within our community. One of the ways Council does this is through the annual Community Grants program. Recipients of the 2019/20 Community Grants are detailed in the tables that follow:

Community Development Fund

The Community Development Fund offers up to \$5,000 to suitable community groups and organisations. Funding may be given for projects including minor repairs or upgrades to community facilities; water conservation and environmental innovations; OHS or risk management issues; new equipment; new programs or activities; local festivals and events with wide community benefit; and protection, conservation and restoration of heritage items and assets.

Organisation	Approved amount	Project description
Robinvale Netball Association	\$500	New netball pole pads
Swan Hill Gymnastics Club	\$5,000	Purchase of Gymnastics Equipment
Tooleybuc/Manangatang Football Netball Club Inc.	\$5,000	New globes (light towers)
Lake Boga Sports Club Inc.	\$5,000	Upgrade goal posts
Swan Hill Football Netball Club	\$5,000	Ball catch nets behind McCallum Street end of football ground
Manangatang Public Hall Committee	\$1,500	Kitchen upgrade
Girl Guides Association of Victoria – Nyah Girl Guides	\$5,000	Bringing life back to our hall
Manangatang Tennis Club Inc.	\$500	New nets for Manangatang Tennis Club
Mid Murray Pistol Club	\$2,690	Upgrade power and air supply
Piangil Memorial Park Reserve	\$2,253	Modernising Piangil's Community Resources
Manangatang Recreation Reserve Committee	\$1,000	Purchase new display fridge
Swan Hill Stroke Support Group	\$500	Reprint of a book with update of a stroke survivor's journey
Lake Boga Football Netball Club	\$1,432	Grandstand Seating – purchase new seating module
Swan Hill Riding for the Disabled	\$500	Upgrade to arena fence - painting

Community Development Fund continued

Organisation	Approved amount	Project description
Swan Hill Theatre Group	\$5,000	Finish the floor – new vinyl floor to seating area
Chinkapook Reserves Committee of Management Inc.	\$3,161	New windows (Chinkapook Hall)
Swan Hill Junior Fire Brigade	\$928	Junior Leadership Development Camp
Wemen Progress Association	\$3,000	Healthy Rainwater for Wemen Hall
Swan Hill Neighbourhood House	\$3,133	Finding Neighbourhood House – new signage and grading car park
Robinvale Rifle Club	\$5,000	Electronic Target
Swan Hill Community Toy Library	\$1,000	Toy Library Improvements – new toys

Event Support Fund

The Event Support Fund provides grants and in-kind support to community groups and event organisers to develop new events, or existing events that provide significant economic and/or social benefit to the region. There are 10 applicants from the 2019/20 financial year whose funds were rolled over to 2020/21 due to cancellation or postponement of an event. Events that received funding in the 2019/20 round that were cancelled or postponed due to COVID-19 were able to rollover their funding to the 2020/21 financial year. Those organisations that did incur pre-planning expenses were allowed to acquit part or all of their sponsorship, conditional upon evidence of receipts.

Event	In-kind support	Approved amount	Cash Sponsorship acquitted and received by the applicant 2019/20
Mallee Almond Blossom Festival	Venue hire, cleaning	\$ 3,500	\$ 2,000
2020 Robinvale Euston Ski Race		\$ 2,000	\$ 2,000
Swan Hill Region Food and Wine Festival	Entertainment and venue hire	\$ 8,000	\$3,000
Christmas Twilight Market		\$ 4,500	\$4,500
Swan Hill Show	Cleaning, traffic management and signage	\$ 1,800	\$1,000
Massive Murray Paddle		\$ 2,000	\$2,000
Voyage Fitness Riverside Tri	Traffic management, toilets and bins	\$ 3,000	\$1,500
Lake Boga Yacht Club Easter Regatta 2020		\$1,000	\$1,000
Swan Hill Food Truck Festival	Signage, traffic management, cleaning costs	\$6,000	\$5,000
Robinvale Lantern Festival	Traffic management, fencing and signage	\$ 2,250	\$1,500
9th Annual Rally		\$500	\$500
Nyah District Christmas Carnival	Traffic management	\$1,500	\$1,050
31st Anniversary - 150 Target (two-day event)		\$500	\$500

Event Support Fund continued

Event	In-kind support	Approved amount	Cash Sponsorship acquitted and received by the applicant 2019/20
Art exhibition		\$1,000	\$1,000
Community Carols By Candlelight	Bins cleaning and toilets	\$750	\$250
Swan Hill Film Festival 2019	Art Gallery venue hire, administration support	\$1,250	\$1,000
Art and craft exhibition "Ultima through the eyes of the Locals"	Signage, photocopying and expenses for hire provided for hall and park	\$1,000	\$700
IQD 2020 International Quilting Day 2020		\$500	\$500
Bobbin On The Murray		\$200	\$200
Mental Health Week	Venue hire for Riverside Park, traffic management, cleaning and bins	\$1,000	-
Chinkapook Christmas Tree		\$500	\$500
Murray River Bride and Debutante	Venue hire of the Lower Murray Inn	\$800	-
Trick or Treat with Unicorns	Venue hire of the Pioneer Settlement	\$2,500	-
Swan Hill Junior Invitational Basketball Tournament		\$4,500	\$4,500
New Years Eve Family Event (Funds received from the 19/20) New Years Eve Budget)	Venue hire, traffic management, signage, cleaning and bins	\$30,000	\$27,000

Key Result Area 3: Infrastructure

Council Plan Initiatives

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

✓ Completed >> In progress/continuing in 2020/21 << Delayed due to funding/budget

Council Plan Initiative	Action	Status
Actively pursue opportunities from decommissioned irrigation infrastructure	Work with Goulburn Murray Water to decommission channel number 9	✓
	Identify opportunities for land parcels taken over by Council	>>
Review current use of Council facilities	Produce usage report, including analysis of non-Council facilities that provide similar services	>>
	Identify opportunities to rationalise Council assets	>>
Plan and deliver assets for the current and future needs of our growing community and changing environment	Develop and update policies, strategies and registers	>>
	Implement an effective asset management system	>>
	Complete a centralised asset register	>>
Advocate for funding for an active trail between Lake Boga and Swan Hill.	Complete project scope and plan to enable future funding submission	>>
Review the Swan Hill Active Transport Strategy	Review the strategy	>>
	Adopt the reviewed strategy	>>
Review the way that we procure and maintain our Infrastructure	Identify opportunities to rationalise assets and facilities that do not have an identified service need	>>
	Conduct a review of public facilities including public toilets (included as part of 2018/19 review)	✓

Council Plan Initiatives continued

✓ Completed >> In progress/continuing in 2020/21 - Carried over to 2020/21

Council Plan Initiative	Action	Status
Upgrade Swan Hill Livestock Selling Complex	Implement upgrade project	✓
	Identify funding opportunities for future stages	>>
Review the road network and classify each road	Complete a service review of the road network	✓
Complete the Recreation Reserve Masterplan	Adopt the Recreation Reserves Masterplan	✓
	Establish a long-term operational maintenance program for Council-managed reserves	>>
	Review and update user agreements between Council and recreation reserve users groups	>>
Ensure developers comply with the Infrastructure Design Manual where relevant to local standards	Improve internal and external stakeholders' understanding of the Infrastructure Design Manual	>>
	Develop a local policy position in areas where the Infrastructure Design Manual can be varied	>>

Major Initiatives

The following statement reviews the progress of Council in relation to major initiatives identified in the 2019/20 Budget.

Major Initiative	Progress
Design and construct the Robinvale town levee (Budget: \$486,935 Actual: \$863).	Incomplete.
Re-seal sealed roads (Budget: \$1,350,000 Actual: \$825,415).	Complete.
Re-sheet sealed road shoulders (Budget: \$205,000 Actual: \$183,852).	Complete.
Re-sheet unsealed gravel roads (Budget: \$746,250 Actual: \$783,267).	Complete.
Complete road works funded by the Federal Roads to Recovery program (Budget: \$1,147,265 Actual: \$2,154,446).	Complete. Additional funding received.
Bromley Road, Robinvale beautification project (\$207,000).	Incomplete. Additional grant funds received for the project under Our Region Our Rivers.
Adventure Playground Swan Hill Riverfront (Budget: \$763,350 Actual: \$743,632).	Complete.
Activate the Swan Hill Riverfront - connecting the CBD to the riverfront (Budget: \$2,306,580 Actual: \$322).	Incomplete.
Build new soccer pavilion at Ken Harrison Sporting Complex (Budget: \$565,505 Actual: \$28,795).	Incomplete.
Stage 2 of the Swan Hill Aerodrome runway and lighting reconstruction (Budget: \$304,000 Actual: \$27,000).	Incomplete.
Installation of jet fuel facilities at the Swan Hill Aerodrome (Budget: \$200,000 Actual: \$10,088).	Incomplete.
Nyah Recreation Reserve netball court resurface and lighting (Budget: \$515,420 Actual: \$11,647).	Incomplete.
Designing of netball courts and change rooms at Robinvale Riverside Park (Budget: \$60,000 Actual: \$28,605).	Incomplete.

Services funded in 2019/20 Budget

The following statement provides information in relation to the services funded in the 2019/20 Budget and the persons or sections of the community who are provided the service.

Service Area	Description of services provided	Budget <u>Actual</u> Variance \$000
Amenity and safety	Provide the community with well-maintained public areas with a focus on community access and safety. Maintain urban streets and public areas, including footpaths, in a clean and litter-free state and provide access to public conveniences and lighting of public areas. Provide and maintain efficient and effective open and underground drainage systems.	3,547 <u>2,828</u> (719)
Community buildings	Maintain and renew community buildings and facilities. It covers community centres, public halls and pre-schools.	1,336 <u>788</u> (548)
Infrastructure planning and management	Provide for the planning, design and project management of Council's capital works program, and manage Council's plant and fleet assets and depot operations.	596 <u>1186</u> 590
Recreation	Maintain Council's parks, reserves, playgrounds and streetscapes in a functional and visually-pleasing landscape.	5,804 <u>2,065</u> (3,739)
Swimming pools	Provide quality, accessible aquatic facilities that support a high quality of life for residents and visitors.	422 <u>372</u> (50)
Traffic and transportation services	Manage Council's roads and associated infrastructure assets. Ongoing maintenance and renewal work to municipal infrastructure assets including sealed roads, unsealed roads, footpaths and aerodromes.	5,691 <u>3,011</u> (2,680)

Service Performance Indicators

The following statement provides the results of the prescribed service performance indicators and measures.

Service/Indicator/Measure	Results 2017	Result 2018	Result 2019	Result 2020	Material Variation
Roads					
Satisfaction of use					
<i>Sealed local road requests</i> [Number of sealed local road requests / Kilometres of sealed local roads] x 100	13.43	8.47	5.54	6.87	Council has been encouraging residents to report road maintenance issues to enable Council to provide a better level of service to its community.
Condition					
<i>Sealed local roads below the intervention level</i> [Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local road] x 100	98.31%	98.31%	98.76%	99.28%	
Service cost					
<i>Cost of sealed local road reconstruction</i> [Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]	\$29.04	\$45.45	\$25.14	\$30.75	The cost of sealed local road reconstruction increased in 2019/20 due to several projects being undertaken in urban areas which involved utilising asphalt treatments instead of a spray seal.
<i>Cost of sealed local road resealing</i> [Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]	\$3.96	\$5.72	\$6.84	\$4.98	A decrease in resealing sealed roads is due to resealing several large rural roads which only require a single coat seal.
Satisfaction					
<i>Satisfaction with sealed local roads</i> [Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads]	49	50	46	44	This score is determined through a state-wide community satisfaction survey conducted by the Victorian State Government. A minimum of 400 interviews are undertaken within each participating municipality.

Key Result Area 4: Governance and leadership

Council Plan Initiatives

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

✓ Completed >> In progress/continuing in 2020/21 - Carried over to 2020/21

Council Plan Initiative	Action	Status
Champion a culture that values strong community engagement	Implement a project management system	>>
	Conduct training for staff	>>
Continually improve workplace safety and staff health and wellbeing	Develop and implement an OHS framework	>>
	Review and develop Council's Risk Framework and Strategy	✓
Implement a Project Management System	Review and improve current processes	>>
	Implement a centralised project management system utilised throughout the organisation	-
Review Council services for efficiency, effectiveness and quality	Prioritise services for a detailed review	>>
	Identify relevant benchmarks for a service review	-
Council to lead the conversation on Swan Hill bridge placement with the community	Represent Council's views at stakeholder meetings	>>
	Conduct public engagement and awareness campaign	>>

Council Plan Initiative	Action	Status
Establish new and alternative methods of consultation	Research and report to Council on contemporary consultation methods	✓
	Increase the use of social media, online survey tools	✓
	Review Council's communication strategy	✓
Develop Council's systems and processes to improve our customer service, efficiency and effectiveness of our operations	Undertake Council Services Review	>>
Use social media as a medium for community consultation and communication	Increase the use of online survey tools	>>
Engage and partner with organisations, business and individuals to increase cooperation and avoid duplication of resources when common objectives are identified	Conduct skills audit of community organisations	>>
Advocate to State and Federal governments to fund priorities in Community Plans, Major Projects Plan and other key Council plans and strategies	Develop marketing material on key issues	✓
Encourage and support Council representatives to obtain positions on relevant boards that support Council's activities, providing these duties do not conflict with Council responsibilities	Identify key board positions	>>
	Develop advocacy strategies	✓
	Train staff and Councillors on Governance responsibilities and industry based awareness	>>

Major Initiatives

The following statement reviews the progress of Council in relation to major initiatives identified in the 2019/20 Budget

Major Initiative	Progress
Implement a project management system (Budget \$30,000 Actual \$0).	Incomplete.
Further develop Council IT processes as identified in the IT Strategy (Budget \$185,000 Actual \$137,109).	Complete.
Complete the electoral representation review (Budget \$75,000 Actual \$31,202).	Complete.

Services funded in 2019/20 Budget

The following statement provides information in relation to the services funded in the 2019/20 Budget and the persons or sections of the community who are provided the service.

Service Area	Description of services provided	Budget <u>Actual</u> Variance \$000
Councillors and corporate management	Governance includes the Mayor, Councillors, Chief Executive Officer, Executive Leadership Team and associated support, which cannot easily be attributed to the direct service provision areas.	2,277 <u>2,017</u> (260)
Community relationships	Proactively communicate Council decisions, programs and events to the community using a range of methods, and assist the organisation to respond to community issues as they arise.	200 <u>162</u> (38)
Management of resources	Manage Council's offices along with human and financial resources to effectively and efficiently fulfil Council objectives, including areas like rate raising and collection, customer service, human resource management, depot and office site management, Council finances, information technology and records management.	(26,368) <u>(26,612)</u> (244)

Service Performance Indicators

The following statement provides the results of the prescribed service performance indicators and measures.

Service/Indicator/Measure	Result 2017	Result 2018	Result 2019	Result 2020	Material Variation
Governance Transparency <i>Council decisions made at meetings closed to the public</i> [Number of Council resolutions made at an 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] x 100	9.26%	7.73%	5.56%	4.37%	Nine resolutions were made in 2019/20 compared to 12 resolutions in 2018/19, at Council meetings closed to the public.
Consultation and engagement <i>Satisfaction with community consultation and engagement</i> [Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement]	58	55	54	52	

Service Performance Indicators continued

Service/Indicator/Measure	Result 2017	Result 2018	Result 2019	Result 2020	Material Variation
Attendance <i>Councillor attendance at Council Meetings</i> [The sum of the number of Councillors who attended each ordinary and special Council Meeting / (Number of ordinary and special council meetings) x (Number of Councillors elected at the last Council general election)] x 100	97.62%	97.96%	96.64%	95.92%	Swan Hill Rural City Council have consistently achieved a high result over the past four years which shows the commitment of our Councillors.
Service cost <i>Cost of Governance</i> [Direct cost of the Governance service / Number of Councillors elected at the last Council general election]	\$40,441	\$41,456	\$43,621	\$43,914	
Satisfaction <i>Satisfaction with Council decisions</i> [Community satisfaction rating out of 100 with the performance of Council in making decisions in the interest of the community]	53	54	51	45	At the time the survey was completed Council was responding to some community concerns in relation to the location of the Our Place building and the Flight School at the Swan Hill aerodrome. These issues are likely to have impacted on the score for community decisions.

Key Result Area 5: Environment

Council Plan Initiatives

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

✓ Completed >> In progress/continuing in 2020/21 << Delayed due to funding/budget

Council Plan Initiative	Action	Status
Seek to influence how environmental water is used within the municipality	Attain membership to Catchment Management Authorities (CMA)	>>
	Seek a position on CMA committees	>>
Investigate alternative energy for council buildings, and a community solar option	Prepare a business case for each option	>>
Review our work methods to reduce the environmental impact of what we do	Review our fuel usage	>>
	Review plant and corporate fleet requirements	✓
	Investigate and use where possible sustainable building practices	>>
Review and implement the Waste Management Plan	Approve a revised and updated Waste Management Plan	>>
Advocate for improved control on private and public land of feral pests and weeds	Engage with local Landcare groups	>>
	Identify and reduce boxthorn infestations	>>
	Extend fruit fly program	>>
Investigate opportunities for green waste and organic collection service	Review data for current green waste service	✓
	Develop and implement a green waste information campaign	✓

Major Initiatives

The following statement reviews the progress of Council in relation to major initiatives identified in the 2019/20 Budget

Major Initiative	Progress
Deliver the roadside weeds and pest management program (Budget \$75,000 Actual \$63,865).	Incomplete
Deliver the Emerging Weeds Control Program (Budget \$20,000 Actual \$20,000).	Complete.
Undertake capping works at the Swan Hill Landfill (Budget \$200,000 Actual \$0).	Incomplete.
Implement the Solar Garden project (Budget \$30,000 Actual \$0).	Incomplete.

Services funded in 2019/20 Budget

The following statement provides information in relation to the services funded in the 2019/20 Budget and the persons or sections of the community who are provided the service.

Service Area	Description of services provided	Budget <u>Actual</u> Variance \$000
Environmental management	Advocate for, and assist to deliver environmental projects as part of Council's aim to become more sustainable in both built and natural environments.	300 <u>254</u> (46)
Waste management	Provide waste collection services, including kerbside collection of garbage, hard waste and green waste from all households and some commercial properties.	(110) <u>(805)</u> (695)

Service Performance Indicators

The following statement provides the results of the prescribed service performance indicators and measures.

Service/Indicator/Measure	Result 2017	Result 2018	Result 2019	Result 2020	Material Variation
Waste Collection					
Satisfaction					
<i>Kerbside bin collection requests</i> [Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households] x 1000	25.38	22.86	30.88	28.37	
Service standard					
<i>Kerbside collection bins missed</i> [Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts] x 10,000	2.23	3.19	2.37	1.76	Council's waste department has worked closely with the contractor to ensure improvements to service levels, this has resulted in an overall decrease in kerbside collection bins being missed.
Service cost					
<i>Cost of kerbside garbage collection service</i> [Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]	\$55.31	\$55.79	\$57.09	\$81.12	The increase in the cost of the service is due to the previous years calculation not reflecting costs of staff wages, levies and internal charges which are directly related to the kerbside garbage collection service.
<i>Cost of kerbside recyclables collection service</i> [Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins]	\$27.74	\$27.81	\$28.49	\$42.38	The increase in the cost of the service is due to the previous years calculation not reflecting costs of staff wages, processing fees and internal charges which are directly related to the kerbside recyclables collection service.
Waste diversion					
<i>Kerbside collection waste diverted from landfill</i> [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x 100	34.53%	30.55%	30.26%	27.67%	Although Council offers a popular green waste collection which diverts waste from landfill, our community is not sufficiently engaged in recycling household materials. The 8.53% reduction in 2020 was primarily caused by the shut down of our recycling facility for one month due to no market for recycled materials.



Part six

Corporate Governance

Governance

Swan Hill Rural City Council is constituted under the *Local Government Act 2020* to provide leadership for the good governance of the municipal district and the local community. Council has a number of roles including:

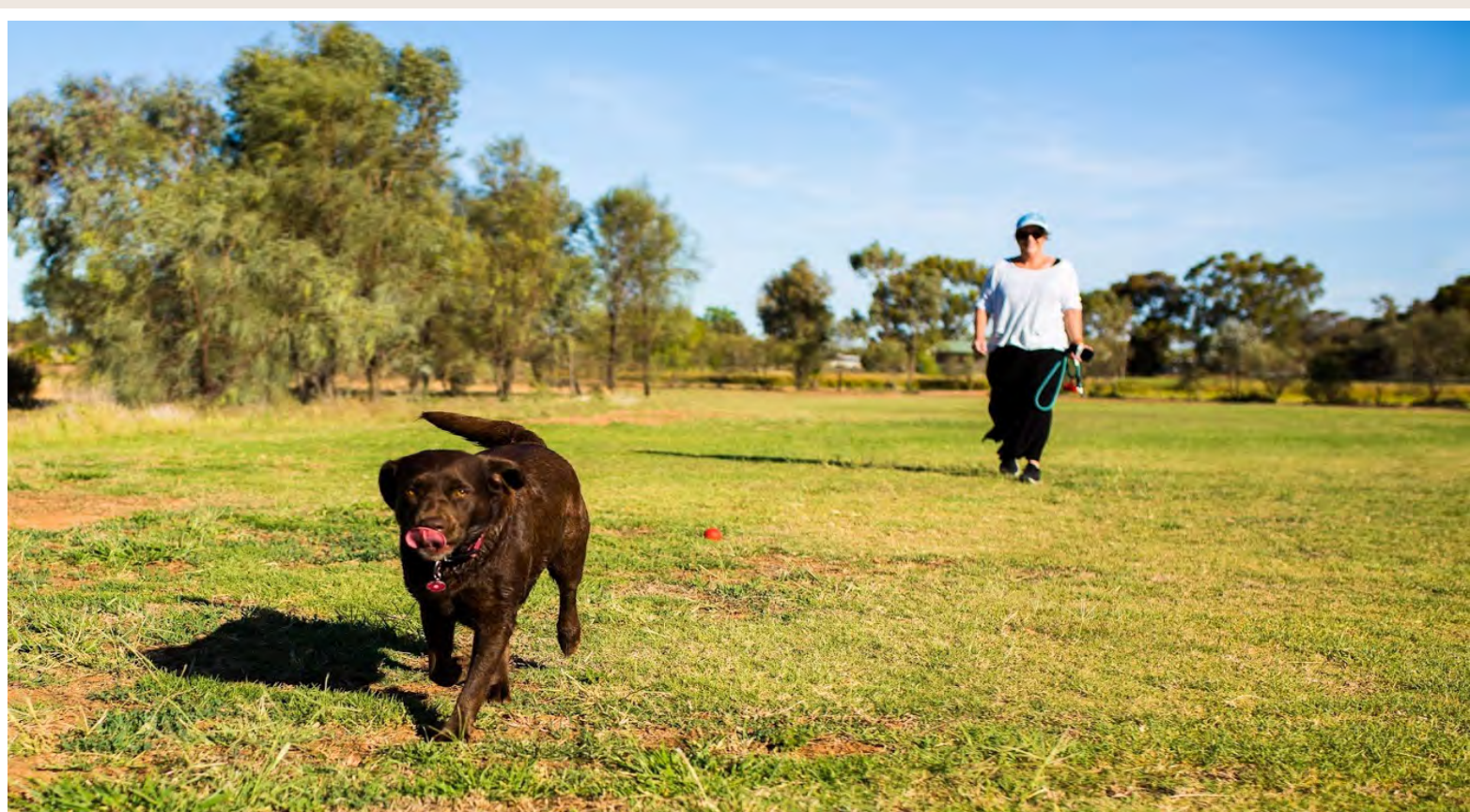
- Taking into account the diverse needs of the local community in decision-making
- Providing leadership by establishing strategic objectives and monitoring achievements
- Ensuring that resources are managed in a responsible and accountable manner
- Advocating the interests of the local community to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

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

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

Local Government Act 2020

The *Local Government Act 2020* received Royal Assent on 24 March 2020 and takes effect in four stages: 6 April, 1 May, 24 October and 1 July 2021. Council have implemented Stage 1 and commenced internal discussions on Stage 2 which involves reform of several important policies – the Governance Rules, Public Transparency Policy, Councillor Expenses Policy and updated delegations - by 1 September 2020. Council's Governance team attended workshops and training facilitated by the MAV, VLGA and Local Government Victoria and is equipped to implement the Local Government Act to schedule.



Meetings of Council

Council conducts open public meetings on the third Tuesday of each month. Members of the community are welcome to attend these meetings and observe from the gallery. Council meetings also provide the opportunity for community members to submit a question of Council, make a submission or speak to an item.

For the 2019/20 year, Council held the following meetings:

- 11 Ordinary Council Meetings
- 2 Special Council Meetings.

Below are the dates and locations of the Ordinary Council Meetings held in 2019/20:

Councillor attendance at Council meetings

Month	Location	Month	Location
16 July 2019	Swan Hill	18 February 2020	Swan Hill
20 August 2019	Robinvale	17 March 2020	Swan Hill
17 September 2019	Swan Hill	21 April 2020	Swan Hill
15 October 2019	Swan Hill	19 May 2020	Swan Hill
19 November 2019	Swan Hill	23 June 2020	Swan Hill
17 December 2019	Swan Hill		

The following table provides a summary of Councillor attendance at Council Meetings and Special Council Meetings for the 2019/20 financial year.

Councillor	Ordinary Council Meetings	Special Council Meetings
	Attended	Attended
Cr Les McPhee	11	2
Cr Ann Young	11	2
Cr Bill Moar	11	2
Cr Lea Johnson	10	2
Cr Chris Jeffery	10	2
Cr Jade Benham	11	2
Cr Nicole McKay	9	2

Special committees

The *Local Government Act* allows councils to establish one or more special committees consisting of:

- Councillors
- Council staff
- Other persons
- Any combination of the above.

The following table contains a list of special committees established by Council that are in operation and the purpose for which each committee was established.

Special Committee	Councillors	Officers	Other	Purpose
Swan Hill Leisure Centre Committee of Management	2	2	5	To oversee the external management of the Swan Hill Leisure Centre.

Council representation on other committees

Councillors are representatives on Special Committees of Council, as well as other external committees, associations and groups.

Cr Ann Young

- Bigger Better Beverford Group
- Woorinen Progress Association
- Chisholm Reserve Inc
- Chief Executive Officer Performance Review Committee
- Swan Hill Regional Art Gallery Advisory Committee
- Agribusiness Advisory Committee
- Rail Freight Alliance

Cr Les McPhee

- Lake Boga Land on Water Committee of Management
- Municipal Association of Victoria
- Lake Boga Inc
- Ultima Progress Association
- Joint Bridge Committee
- Chief Executive Officer Performance Review Committee
- Municipal Emergency Management Planning Committee
- North West Municipalities Association
- Rural Councils Victoria (sub-delegate)
- Audit Committee

Cr Lea Johnson

- Swan Hill Inc
- Bigger Better Beverford
- Woorinen Progress Association
- Local Aboriginal Network Swan Hill
- Audit Committee
- Chief Executive Officer Performance Review Committee
- Swan Hill Leisure Centre Committee of Management (sub-delegate)

Cr Jade Benham

- Robinvale Aboriginal Elders Committee
- Robinvale Euston Business Association
- Wemen Progress Association
- Local Aboriginal Network Robinvale
- Robinvale Improvement Group
- Municipal Association of Victoria (sub delegate)
- Swan Hill Inc (sub-delegate)
- Community Development Fund

Cr Chris Jeffery

- Bigger Better Beverford Group
- Woorinen Progress Association
- Audit Committee
- Municipal Emergency Management Planning Committee (sub-delegate)
- Indoor Sports Stadium Advocacy Committee
- Rural Councils Victoria

Cr Bill Moar

- Loddon Mallee Waste and Resource Recovery Group
- Bigger Better Beverford
- Woorinen Progress Association
- Joint Bridge Committee
- Swan Hill Regional Livestock Exchange
- Swan Hill Leisure Centre Committee of Management
- Murray River Group of Councils
- Event Support Fund
- Community Development Fund
- Central Murray Regional Transport Forum

Cr Nicole McKay

- Manangatang Improvement Group
- Nyah Action Group
- Piangil Community Group
- Boundary Bend Progress Association
- Grampians Wimmera Mallee Water Advisory Committee
- Event Support Fund
- Local Aboriginal Network Swan Hill (sub-delegate)

Conflict of interest

During the course of dealing with matters that come before Council for decision, individual Councillors and members of staff might find that they, or their immediate family, have a financial or some other advantage that could be interpreted as having undue influence on the outcome.

To ensure transparency in the decision-making processes of Council, both Councillors and staff are required to declare and document their interest in a matter. Where Councillors have declared an interest, they take no part in the decision-making process.

During 2019/20, 11 conflicts of interest were declared at Council and Special Committee meetings.

Copies of the document Conflict of Interest: A Guide for Councillors, October 2012, published by the Department of Planning and Community Development, has been provided to Councillors for their reference.

Code of Conduct

As a result of changes to the *Local Government Act 1989*, councils must prepare, adopt and maintain a Councillor Code of Conduct. Swan Hill Rural City Council's Councillor Code of Conduct was reviewed and adopted on 21 February 2017.

After the review on 21 February 2017, Councillors signed the Code of Conduct declarations.

A copy of the code is available at www.swanhill.vic.gov.au/about/overview/policies.



Councillor allowances

In accordance with Section 74 of the *Local Government Act 1989*, Councillors were entitled to receive an allowance while performing their duty as a Councillor. The Mayor was also entitled to receive a higher allowance. These provisions were continued pursuant to section 39 of the Local Government Act 2020.

The State Government sets the upper and lower limits for all allowances paid to Councillors and Mayors. Councils are divided into three categories based on the income and population of each council. In this instance Swan Hill Rural City Council is recognised as a category two council.

For the period 1 July 2019 to 30 November 2019, the Councillor annual allowance for a category 2 council (as defined by the Act) was up to \$25,730 per annum and the allowance for the Mayor was up to \$79,612 per annum. The Minister for Local Government approved an annual adjustment of two per cent to take effect as from 1 December 2019. The annual allowances were adjusted for the period 1 December 2019 to 30 June 2020 up to \$26,245 per annum for the Councillor allowance and up to \$81,204 per annum for the mayoral allowance.

The following table contains details of current allowances fixed for the Mayor and Councillors during the year.

Councillor	Allowance
Cr Bill Moar (Mayor November 2019 - June 2020)	\$56,806.43
Cr Ann Young (Mayor July 2019 – November 2019)	\$44,227.93
Cr Chris Jeffery	\$27,657.44
Cr Les McPhee	\$27,657.44
Cr Lea Johnson	\$27,657.44
Cr Jade Benham	\$29,017.44*
Cr Nicole McKay	\$27,657.44

* Includes Remote Travel Allowance

Councillor expenses

In accordance with Section 40 of the *Local Government Act 2020*, Council is required to reimburse a Councillor for expenses incurred whilst performing his or her duties as a Councillor.

Council is also required to adopt and maintain a policy in relation to the reimbursement of expenses for Councillors.

The policy provides guidance for the payment of reimbursements of expenses and the provision of resources, facilities and other support to the Mayor and Councillors to enable them to discharge their duties.

Council also publishes in its Annual Report the details of the expenses, including reimbursement of expenses for each Councillor and member of a Council Committee paid by the Council.

The details of the expenses, including reimbursement of expenses for each Councillor and member of a Council Committee, paid by Council for the 2019/20 year are set out in the following table:

Councillor	Travel	Car Mileage	Childcare	Information and Communication	Conference and Training	Total
Cr Bill Moar	-	\$1,517.97	-	\$810.67	\$131.82	\$2,460.46
Cr Ann Young	\$1,149.84	\$3,312.20	-	\$698.20	\$443.07	\$5,603.31
Cr Chris Jeffery	\$20.40	\$39.44	-	\$2,843.38	-	\$2,903.22
Cr Les McPhee	\$481.45	\$462.40	-	\$1,141.76	\$381.82	\$2,467.43
Cr Lea Johnson	\$410.72	-	-	\$803.08	-	\$1,213.80
Cr Jade Benham	\$5,700.68	-	\$152.49	\$4,229.90	-	\$10,083.07
Cr Nicole McKay	-	\$658.24	-	\$744.83	\$337.51	\$1,740.58

Note: No expenses were paid by Council, including reimbursements, to members of Council Committees during the 2019/20 year.

Management

Council has implemented a number of statutory and better practice items to strengthen its management framework.

Having strong governance and management frameworks leads to better decision making by Council.

The *Local Government Act 1989* requires Council to undertake an assessment against the prescribed governance and management checklist and include this in its report of operations.

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



Audit committee

The Audit Committee is an independent Advisory Committee to Council and is formed under Section 139 of the *Local Government Act 1989*.

The primary objective of the Audit Committee is to assist Council in the effective conduct of its responsibilities for:

- Enhancing the credibility and objectivity of internal and external financial reporting
- Effective management of financial processes, to ensure integrity and transparency
- Effective management of risks and the protection of Council assets
- Compliance with laws and regulations as well as use of best practice guidelines
- The effectiveness of the internal audit function
- The provision of an effective means of communication between the external auditor, internal auditor, management and the Council
- Facilitating the organisation's ethical development
- Maintaining a reliable system of internal controls

The Audit Committee consists of five members, three of whom are independent experts in a range of areas including financial management, business, and project management.

Audit Committee Members

The members of the committee during the 2019/20 financial year were:

Warren Pollock (Chairman) - fourth term appointment expires 21 August 2022.

Rod Saville - third term appointment expires 18 November 2021.

Robert Jardine - first term appointment expires 21 February 2021.

Cr Lea Johnson - appointed for one year at the Council Meeting in December 2019.

Cr Chris Jeffery - appointed for one year at the Statutory Council Meeting in November 2018.

Cr Les McPhee - appointed for one year at the Council Meeting in December 2019.

The following table contains details of attendance at audit committee meetings during 2019/20:

Member	Eligible to attend	Attended
Warren Pollock, Independent member and Chairman	4	4
Rod Saville, Independent member	4	4
Robert Jardine, Independent member	4	4
Lea Johnson, Councillor	4	4
Chris Jeffery, Councillor	2	1
Les McPhee, Councillor	2	2

Internal Audit

Council's internal audit function is externally resourced to provide independent and objective assurance that appropriate processes and controls are in place across Council.

A three-year risk-based Strategic Internal Audit Plan (SIAP) is revised annually to ensure the audit resources remain focused on the nominated areas.

The review process considers Council's risk framework, the Council Plan, the impact of any change on our operations, systems or the business environment, prior audit coverage and outcomes, and relies heavily on management directional input. The SIAP is revised and approved by the Audit Committee annually.

The Internal Auditor attends Audit Committee meetings to report on the status of the SIAP and to present findings of completed reviews.

The responsible Director and Manager for each area reviewed is required to attend the Audit Committee meeting to respond to questions in relation to the review. All audit issues identified are risk rated.

Recommendations are assigned to responsible managers and tracked through the Audit Committee agenda until all recommendations have been completed.

Quality assurance is measured through completion of the review recommendations and completion of the nominated annual SIAP reviews.

The SIAP for 2019/20 was completed with the following reviews conducted:

- Data protection and privacy review.
- Planning and organisation of capital and maintenance works.

In order to attain a wider review of internal audit coverage, a mix of 'detailed' and 'insight' reviews are identified.

'Detailed' reviews typically include walk throughs, identification of key controls and sample testing of key controls to form a conclusion, resulting in a detailed report.

'Insight' reviews are high level discussions with those officers responsible for managing the area of focus, resulting in a brief report of observations and insights.

External Audit

Council is externally audited by the Victorian Auditor-General. For the 2019/20 year the annual external audit of Council's Financial Reports and Performance Statement was conducted by the Victorian Auditor-General's representative, Danielle MacKenzie of Crowe (Albury).

The external auditors attend Audit Committee meetings to present the annual audit strategy and independent audit reports.

The external audit management letters and responses are also provided and discussed with the Audit Committee.



Risk Management

Council's Risk Management Policy and Framework provides an integrated and consistent approach to risk management to ensure that risks are identified and addressed during planning, decision-making and everyday operations.

Council's risk register highlights the key strategic and operational risks and controls, while the business continuity plan, internal audit program and fraud control policy and procedure are important components of the risk management framework.

Key risk management activities undertaken during 2019-2020 included:

- the development and implementation of an enterprise Risk Management Framework;
- a refresh of Council's strategic and organisational risk registers to identify any new risks and check the effectiveness of the existing risk treatment strategies;
- implementation of a new quarterly risk report to improve the risk information received by the Executive Leadership Team and Audit Committee;
- activation of Council's Business Continuity Plan in response to the Novel Coronavirus (COVID-19) pandemic. Work to respond to COVID-19 will continue well into the next year.

Governance and Management Checklist

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

Governance and Management Items	Assessment
1. Community Engagement Policy (policy outlining Council's commitment to engaging with the community on matters of public interest)	Date of operation of current policy: 5 March 2019
2. Community Engagement Guidelines (guidelines to assist staff to determine when and how to engage with the community)	Date of operation of current guidelines: 5 March 2019
3. Strategic Resource Plan (plan under section 126 of the Act outlining the financial and non-financial resources required for at least the next four financial years)	Adopted in accordance with section 126 of the Act. Date of adoption: 21 July 2020
4. Annual Budget (plan under section 130 of the Act setting out the services to be provided and initiatives to be undertaken over the next 12 months and the funding and other resources required)	Adopted in accordance with section 130 of the Act. Date of adoption: 21 July 2020
5. Asset Management Plans (plans that set out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)	Date of adoption of current plans: Road Asset Management Plan 01/09/2008, Building Asset Management Plan 01/08/2008, Footpath Asset Management Plan 01/08/2009, Irrigation Asset Management Plan 01/08/2008, Kerb and Channel Asset Management Plan 01/08/2009, Landfill Asset Management Plan 01/07/2008, Playgrounds Asset Management Plan 01/08/2008, Bridge Asset Management Plan 01/11/2005, Aerodrome Asset Management Plan 01/03/2009, Road Management Plan 27/06/2017.
6. Rating Strategy (strategy setting out the rating structure of Council to levy rates and charges)	Date of operation of current strategy: 20 July 2010

Governance and Management Items	Assessment
7. Risk Policy (policy outlining Council's commitment and approach to minimising the risks to Council's operations)	Date of operation of current policy: 7 August 2019
8. Fraud Policy (policy outlining Council's commitment and approach to minimising the risk of fraud)	Date of operation of current policy: 16 January 2018
9. Municipal Emergency Management Plan (plan under section 20 of the <i>Emergency Management Act 1986</i> for emergency prevention, response and recovery)	Prepared and maintained in accordance with section 20 of the Emergency Management Act 1986. Date of preparation: 17 October 2017
10. Procurement Policy (policy under section 186A the Local Government Act 1989 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 1989. Date of approval: 7 January 2020
11. Business Continuity Plan (plan setting out the actions that will be undertaken to ensure that key services continue to operate in the event of a disaster)	Date of adoption of current plan: 29 August 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)	Date of operation of current plan: 31 July 2019
13. Risk Management Framework (framework outlining Council's approach to managing risks to the Council's operations)	Framework Date of operation of current framework: 19 July 2019
14. Audit Committee (advisory committee of Council under section 139 of the Act whose role is to oversee the integrity of a Council's financial reporting, processes to manage risks to the Council's operations and for compliance with the applicable legal, ethical, and regulatory requirements)	Established in accordance with section 139 of the Act. Date of establishment: 10 February 1998

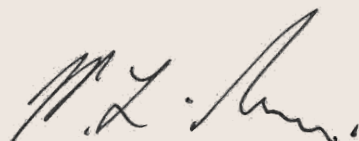
Governance and Management Items	Assessment
15. Internal Audit (independent accounting professionals engaged by the Council to provide analyses and recommendations aimed at improving Council's governance, risk and management controls)	Engaged Date of engagement of current provider: 1 July 2013
16. Performance Reporting Framework (a set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 131 of the Act)	Framework Date of operation of current framework: 12 April 2016
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 reporting year)	Report Reported to Council on: Quarter 1: 15/10/2019 Quarter 2: 17/03/2020 Quarter 3: 19/05/2020 Quarter 4: 28/07/2020
18. Financial Reporting (quarterly statements to Council under section 138 of the Act comparing budgeted revenue and expenditure with actual revenue and expenditure)	Statements presented to Council in accordance with section 138(1) of the Act. Date statements presented: Annual Report 2019: 15/10/2019 Quarter 1: 19/11/2019 Quarter 2: 18/02/2020 Quarter 3: 19/05/2020
19. Risk Reporting (six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies)	Reports Date of reports: 9 December 2019 & 1 June 2020
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)	Council reports annually Date statement presented: In the Annual Report 2019 15 October 2019

Governance and Management Items	Assessment
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 and performance statements)	Considered at meeting of the Council in accordance with section 134 of the Act: Date of consideration: 15 October 2019
22. Councillor Code of Conduct (Code under section 76C of the Act setting out the conduct principles and the dispute resolution processes to be followed by Councillors)	Reviewed in accordance with section 76C of the Act. Date reviewed: 21 February 2017
23. Delegations (a document setting out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff)	Reviewed in accordance with section 98(6) of the Act. Date of review: 21 April 2020
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: 7 October 2010

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



John McLinden
Chief Executive Officer



Cr William Moar
Mayor

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 or copies of the documents can be obtained for the purposes of section 222 of the Act:

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

These documents can be viewed at the Swan Hill Rural City Council Municipal Offices at 45 Splatt

Street, Swan Hill from 8.30am to 5pm Monday to Friday.

It should be noted that in May 2020, the *Local Government Act 2020* commenced and the above information may change. Council's newly-adopted Public Transparency Policy (available on Council's website) provides further information on the availability of Council information.

Best Value

The Best Value Principles within the *Local Government Act 1989* provide the basis for which councils plan, review and manage their performance in order to deliver continuous improvement in all services and to meet the needs and expectations of service users.

208B - Best Value Principles

All services provided by a council must meet the quality and cost standards required by section 208D;

Subject to sections 3C(2)(b) and 3C(2)(e), all services provided by a council must be responsive to the needs of its community;

Each service provided by a council must be accessible to those members of the community for whom the service is intended;

A council must achieve continuous improvement in the provision of services for its community;

A council must develop a program of regular consultation with its community in relation to the services it provides;

A council must report regularly to its community on its achievements in relation to the principles set out in paragraphs (a), (b), (c), (d) and (e).

Service Performance Principles

From April 2020 s106 Service Performance Principles of the *Local Government Act 2020* came into effect. This involves the setting of Quality and Cost Standards for Council services and annual reporting against these standards to the community.

The Local Government Act 2020 requires Council to review its operations to ensure that the services provided to the community represent 'Good Value'.

The following are the service performance principles:

- (a) services should be provided in an equitable manner and be responsive to the diverse needs of the municipal community;
- (b) services should be accessible to the members of the municipal community for whom the services are intended;
- (c) quality and costs standards for services set by the Council should provide good value to the municipal community;
- (d) a Council should seek to continuously improve service delivery to the municipal community in response to performance monitoring;
- (e) service delivery must include a fair and effective process for considering and responding to complaints about service provision.

Carers Recognition Act 2012

Council has taken all practicable measures to comply with its responsibilities outlined in the *Carers Recognition Act 2012*. Council has promoted the principles of the Act to people in care relationships who receive Council services, and to the wider community by providing links to State Government resource materials on Council's website and providing information to organisations represented in Council networks.

Council has taken all practicable measures to ensure staff, Council agents and volunteers are informed about the principles and obligations under the Act by including information on the care relationship in Council induction and training programs for staff working in Community Care Services, and induction and training programs for volunteers working directly with the community.

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

Local Laws

Council has the following Local Laws in place:

Community Access and Inclusion Strategy

Local Law	Date adopted	Date operational
Local Law No. 1 Meeting Procedures	21 September 2010	7 October 2010
Community Local Law No. 2	16 May 2017	2 June 2017

In accordance with section 38 of the *Disability Act 2006*, as Council has prepared a Disability Action Plan and it must report on the implementation of the Disability Action Plan in its Annual Report. Council adopted its Community Access and Inclusion Strategy (CAIS) with an accompanying implementation plan in December 2017.

The four key objectives of the CAIS are to:

- Reduce barriers to Council services, programs and facilities for people with a disability.
- Reduce barriers to people with a disability obtaining and maintaining employment.
- Increase inclusion and participation in the community for people with a disability.
- Improve community attitudes and perceptions that discriminate against people with a disability.

Contracts

During the year, Council did not enter into any contracts valued at \$150,000 or more for services or \$200,000 or more for works or more of a kind specified in section 186(5)(a) and (c) of the Act. It also did not enter into any other contracts valued at \$150,000 or more for goods or services or \$200,000 or more for works without engaging in a competitive process.

Domestic Animal Act 1994

Under the *Domestic Animal Act 1994*, Council is required to create a Domestic Animal Management Plan and to evaluate its implementation in the annual report. Council reviewed its Domestic Animal Management Plan in December 2019.

Food Act Ministerial Direction

In accordance with 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 directions were received in the 2019/20 financial year.

Road Management Act 2004

Council, as a road authority, is required under Section 22 of the *Road Management Act 2004* to publish a copy or summary of any direction received from the Minister in its Annual Report. No directions were received from the Minister in 2019/20.

Statutory information continued

Freedom of Information Act 1982

The Freedom of Information Act 1982 provides the opportunity for public access to Council documents.

The Act establishes a legally enforceable right for the community to request information, in document form, held by Council.

The Act has four principles:

1. The public has a right of access to documents subject to certain exceptions or exemptions.
2. Local Governments are required to publish information on the documents they hold.
3. Individuals may request that inaccurate, incomplete, out-of-date or misleading information about themselves be amended.
4. Individuals may appeal against a decision not to give access to the document(s) or not to amend personal information.

Written requests for documents must be addressed to Council's Freedom of Information Officer and should be accompanied by an application fee of \$29.60 (2020/21).

A request must specify the document(s) required or if unable to do so, give sufficient detail to enable the relevant document(s) to be located, the form of access required and include the applicant's contact details.

In December 2019, the Victorian Information Commissioner issued Professional Standards relating to the conduct of an agency in performing its functions under the Act, and the administration and operation of the Act by an agency.

Council received two requests in 2019/20 and one request was carried over from 2018/19. All three requests were released in-part for 2019/20.

	Number of requests	Fees and charges	Costs
2019/20	3	\$114	\$1,100
2018/19	3	\$87	\$6,250
2017/18	4	\$114	\$1,928
2016/17	2	\$307	\$1,567
2015/16	2	\$27	\$170

Privacy and Data Protection Act 2014

Council respects the privacy of its citizens, ratepayers and clients. Council is committed to the privacy principles prescribed by the *Privacy and Data Protection Act 2014* and the *Health Records Act 2001*.

Council has adopted a Privacy Policy that addresses the requirements of both Acts. A copy of the policy is available at the Council offices during business hours and at Council's website www.swanhill.vic.gov.au. Council received one privacy complaint in the 2019/20 financial year.

Public interest Disclosure Act

The *Public Interest Disclosures Act 2012* commenced on 6 April 2020 and is a rebranding and expansion of the previous *Protected Disclosures Act 2012*.

Council has developed procedures that provide for the making of disclosures. The procedures encourage the disclosure of improper conduct undertaken by Council or its employees, provide protections for the person making a disclosure, and require the reporting of assessable disclosures to the Independent Broad-based Anti-corruption Commission (IBAC).

Council takes its role and responsibilities under the Act very seriously. Public Interest Disclosure procedures also form part of the staff induction process.

Staff and members of the public are encouraged to report matters to the public interest disclosures co-ordinator, if they believe on reasonable grounds that improper conduct or detrimental action has occurred or is occurring.

One reportable matter was received in the 2019/20 financial year and was referred to the IBAC.

Procedures for making a public interest disclosure are available at Council's website www.swanhill.vic.gov.au or at Council offices.

Policies, strategies and plans

As representatives of the community, Council develops the policies that guide and inform Council activity. The following policies, strategies and plans were reviewed and/or adopted in 2019/20.

Policy/Strategy/Plan	Date reviewed/adopted
Discontinuance and Disposal of Roads Policy	2 July 2019
Disciplinary Policy	16 July 2019
Policies, Procedures and Document Control Policy	16 July 2019
Termination of Employment Policy	24 July 2019
Risk Management Policy	7 August 2019
Councillor Attendance at Functions Policy	16 September 2019
Events Policy	16 September 2019
Serious Misconduct, Negligence and Fraud Policy	24 September 2019
Purchased Leave Policy	24 September 2019
Election Period Policy	2 January 2020
Performance Monitoring and Reporting Policy	2 January 2020
Citizenship Ceremony Dress Code	2 January 2020
Asset Naming Policy	2 January 2020
Procurement Policy	7 January 2020
Delegation of Financial Authority Policy	26 March 2020
Tendering Policy	26 March 2020
Compliance Management Policy	2 April 2020
Return to Work from Extended Leave Policy	5 May 2020
Salary Sacrifice Policy	5 May 2020
Financial Investments Policy	5 May 2020
Staff Code of Conduct	5 May 2020
Out of School Hours Policy	7 May 2020
Cheque Signing and EFT Authorisation Policy	19 May 2020
Infection Control Policy	2 June 2020



Part seven

Performance Statement

Description of municipality

Swan Hill Rural City Council covers 6,116 square kilometres and is home to 20,649 people.

It includes the townships of Swan Hill, Robinvale, Lake Boga, Nyah, Nyah West, Piangil, Woorinen, Ultima, Manangatang, Boundary Bend and Tresco.

The Swan Hill Rural City economy is driven by agriculture and manufacturing.

Almost 22 per cent of the total economic output from the region comes from agricultural production.

Irrigated farming (including stone fruit, grapes, nuts, olives and vegetable production) accounts for over 15 per cent of the total economic output for the municipality and more than 17 per cent of all jobs in the city are directly related to agriculture.

Additionally food manufacturing (processing) accounts for almost 9 per cent of the municipality's economic output.

Located along the Murray River, tourism plays an important role in our region's* economy. Our climate and natural beauty attract around 917,500 visitors each year based on the Murray Regional Tourism (MRT) Snapshot Report- March 2020, for domestic overnight travel, international overnight travel and domestic daytrips. This report covers 8 months of the financial year. MRT has not collated a report for the YE June 2020 due to the COVID-19 pandemic and low visitation across regions.

Operational summary

This year's performance results have been impacted by a number of different and varying circumstances.

The coronavirus pandemic (COVID-19) restrictions have affected our ability to provide business as-usual (see commentary under COVID-19).

First time recognition of three new accounting standards also influenced our operating revenue and expenditure with \$0.38M in volunteer services, \$0.37M amortization on right of use assets, and a reduction in grant income of \$2.2M (unearned income) previously measured upon receipt of the funds to now being after the 'delivery of performance obligations'.

Another impact inflating our operational revenue and expenses relates to Council's lead role in administering a Commonwealth Government Regional Growth Funding on behalf of six partner councils. Our operational income and expenditure includes \$2M from this arrangement in 2020.

COVID-19

The COVID-19 pandemic has impacted everyone in our community - including front-line workers who deliver our services. To keep everyone safe, some Council services such as tourism venues, performing arts, library and playgrounds were closed, while others such as Youth and Maternal and Child Health took their programs online. Fortunately, some of Council's front-line services such as waste collections and road construction, were able to continue as normal with little impact on services. Some of the actions in this report have been impacted by the COVID-19 pandemic in some way, mostly as the result of some operations being closed and scheduled community events being cancelled. However, a significant amount of actions and services were able to continue through a shift to remote delivery.

Sustainable Capacity Indicator definitions

"adjusted underlying revenue" means total income other than

(a) non-recurrent grants used to fund capital expenditure; and

(b) non-monetary asset contributions; and

(c) contributions to fund capital expenditure from sources other than those referred to 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 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.

* Swan Hill Region includes the Swan Hill Rural City, Gannawarra Shire and Balranald Shire

	Results				
Service/indicator/ measure	2017	2018	2019	2020	Material variations
Own-source revenue					
Own-source revenue per head of municipal population [Own-source revenue/ Municipal population]	\$1,736.26	\$1,680.88	\$1,776.90	\$1,763.31	This is a relatively stable value, influenced in 2020 by a decline in our population and reduced income from leased facilities and parking fees and fines due to the coronavirus pandemic.
Recurrent grants					
Recurrent grants per head of population [Recurrent grants/ Municipal population]	\$835.57	\$552.94	\$526.64	\$569.62	In 2017 Council received 150% of Victoria Grants Commission income (100% of 2017 and 50% early payment of 2018). The increase in Roads to Recovery funding of \$1.12 million and the small decline in our population improved the level of grants received per head of population in 2020.
Population					
Expenses per head of population [Total expenses/ Municipal population]	\$2,311.87	\$2,159.48	\$2,156.36	\$2,362.58	The increase of 9.56% (2020) in expenses per head of population is a result of a decline in population against an increase in operating expenses of \$4M. Operating expenses include the recognition of Amortisation on Right of Use Assets (\$0.37M) and \$2M of non-recurrent grants received on behalf of six partner councils to the Our Region Our Rivers Commonwealth funding agreement.
Infrastructure per head of municipal population [Value of infrastructure/ Municipal population]	\$18,679.83	\$18,388.46	\$18,969.90	\$20,331.95	The increase in the value of infrastructure assets (IPP&E excluding land assets) has increased by \$26M, while our population has decreased from 20,759 to 20,649 in 2020.

Sustainable Capacity Indicators continued

	Results				
Service/indicator/	2017	2018	2019	2020	Material variations
Population density per length of road [Municipal population/ Kilometres of local roads]	5.83	5.94	5.92	5.65	The reduction in 2020 is primarily due to a decline in municipal population.
Disadvantage Relative socio-economic disadvantage [Index of Relative Socio-economic disadvantage by decile]	2.00	2.00	2.00	2.00	This score is determined by the Australian Bureau of Statistics. The Socio-Economic Indexes for Areas (SEIFA) provides measures of social-economic conditions by local government geographic area.
Workforce turnover Percentage of staff turnover [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year]	-	-	-	10.81%	The workforce turnover rate in 2020 is much lower than normal, as our ability to recruit has been affected by restrictions imposed by government on social distancing, travel and other quarantining measures connected with the coronavirus pandemic. New Indicator in 2020 (Previous indicator on page 115).

Service Performance Indicators

	Results				
Service/indicator/measure	2017	2018	2019	2020	Material variations
Governance Satisfaction <i>Satisfaction with Council decisions</i> [Community satisfaction rating out of 100 with the performance of Council in making decisions in the interest of the community]	53	54	51	45	At the time the survey was completed, Council was responding to some community concerns in relation to the location of the Our Place building and the Flight School at the Swan Hill aerodrome. These issues are likely to have impacted on the score for community decisions.
Statutory Planning Decision making <i>Council's planning decisions upheld at VCAT</i> [Number of VCAT decisions that did not set aside Council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x 100	50.00%	0.00%	0.00%	0.00%	No planning application decisions were reviewed by VCAT in 2020.
Roads Satisfaction <i>Satisfaction with sealed local roads</i> [Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads]	49	50	46	44	This score is determined through a state-wide community satisfaction survey conducted by the Victorian State Government. A minimum of 400 interviews are undertaken within each participating municipality.
Libraries Participation <i>Active library borrowers</i> [The sum of the number of active library borrowers in the last 3 financial years / the sum of the Municipal population in the last 3 financial years] x 100	19.91%	18.08%	16.90%	16.28%	Library participation decreased in 2020 as the library service was closed to the public from 23 March 2020 to 1 June 2020 due to COVID-19 restrictions. Indicator change in 2020: From 'Active library members' to 'Active library borrowers'.

	Results				
Service/indicator/measure	2017	2018	2019	2020	Material variations
Waste collection					
Waste diversion					
Kerbside collection waste diverted from landfill [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x 100	34.53%	30.55%	30.26%	27.67%	Although Council offers a popular green waste collection which diverts waste from landfill, our community is not sufficiently engaged in recycling household materials. The 8.53% reduction in 2020 was primarily caused by the shut down of our recycling facility for one month due to no market for recycled materials.
Aquatic Facilities					
Utilisation					
Utilisation of aquatic facilities [Number of visits to aquatic facilities / Municipal population]	6.15	5.51	5.57	4.56	Decrease in number of visits due to facility closure in 2020 due to COVID-19.
Animal management					
Health and safety					
Animal management prosecutions [Number of successful animal management prosecutions]	1	2	0	-	Indicator retired in 2020.
Animal management					
Health and safety					
Animal management prosecutions [Number of successful animal management prosecutions/ Total number of animal management prosecutions] x 100	-	-	-	0	There were no animal management prosecutions in 2020. New Indicator in 2020.
Food and safety					
Health and safety					
Critical and major non-compliance outcome notifications [Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance notifications and major non-compliance notifications about food premises] x 100	100.00%	94.74%	81.25%	100.00%	In 2018 one follow-up inspection did not occur due to an oversight and one premise ceased trading after the initial inspection meaning a follow-up could not be conducted. All major-non compliance's from 2018 and 2019 received follow-up inspections in 2019.

Service/indicator/measure	Results				Material variations
	2017	2018	2019	2020	
Maternal and Child Health Participation					
<i>Participation in the MCH service</i> [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x 100	73.28%	73.03%	73.14%	75.04%	Increased participation came from aboriginal families unable to consult with the Mallee District Aboriginal Service due to difficulties in recruitment of MCH nurses.
<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] x 100	41.88%	62.18%	60.08%	66.20%	Mallee District Aboriginal Service (MDAS) in Swan Hill has their own MCH Service but over the past 12 months they have not had a permanent MCH nurse. Aboriginal families that would normally attend the MDAS Service have been accessing our MCH service during this period.

Service Performance Indicator definitions

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

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

“active library member” means a borrower of a library who has borrowed a book or other resource from the library

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

“class 1 food premises” means food premises, within the meaning of the Food Act 1984, that have been declared as class 1 food premises under section 19C 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 authorised officer under that Act, of a deficiency that poses an immediate serious threat to public health and must be followed up by the Council. This includes situations where there is a serious risk of food being sold that is unsafe to eat. Each case must be examined on its merits, in deciding what outcome to assign to a compliance check.

“food premises” has the same meaning as in the Food Act 1984.

“local road” means a sealed or unsealed road for which 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 authorised 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

	Results				Forecasts				
Dimension/ indicator/measure	2017	2018	2019	2020	2021	2022	2023	2024	Material variations
Operating position <i>Adjusted underlying result</i> <i>Adjusted underlying surplus (or deficit)</i> [Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100	11.65%	5.24%	8.38%	5.01%	2.12%	5.45%	4.11%	5.23%	The actual result for 2020 includes 50% of the current year and 50% early payment of next year's Victoria Grants Commission allocation. This was the same scenario in 2018 and 2019. The 2017 actual had 150% of Victoria Grants Commission income (100% of 2017 and 50% of 2018). A combination of savings due to reduced borrowings and a return to normal grant receipts from the Victoria Grants Commission is budgeted for our underlying result in the forecast years.

	Results				Forecasts				Material variations
	2017	2018	2019	2020	2021	2022	2023	2024	
Dimension/ indicator/measure									
Liquidity									
Working capital									
<i>Current assets compared to current liabilities</i> [Current assets / Current liabilities] x100	293.45%	360.07%	380.53%	372.96%	155.92%	207.67%	219.41%	234.85%	The forecast reduction in 2021 is due to an interest only loan maturing the following year. Once repaid, the ratio recovers in 2022.
Unrestricted cash									
<i>Unrestricted cash compared to current liabilities</i> [Unrestricted cash / Current liabilities] x100	205.40%	258.37%	271.46%	267.21%	131.31%	156.03%	173.33%	186.57%	The forecast reduction in 2021 is due to an interest only loan maturing the following year. Once repaid, the ratio recovers in 2022.

Dimension/ indicator/measure	Results				Forecasts				Material variations
	2017	2018	2019	2020	2021	2022	2023	2024	
Obligations									
Loans and borrowings									
<i>Loans and borrowings compared to rates</i>									
<i>[Interest bearing loans and borrowings / Rate revenue] x100</i>	29.45%	25.22%	28.99%	28.35%	27.06%	8.77%	7.61%	6.55%	Council deferred \$1.3 million in new borrowings from 2017 and 2018 until 2019. The deferred borrowings of \$1.3 million along with new borrowings of \$0.5 million were taken up in 2019 and restore the ratio to its previous expected level. An ongoing reduction in borrowings is planned from 2022 onwards.
Loans and borrowings repayments									
<i>Loans and borrowings compared to rates</i>									
<i>[Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100</i>	4.57%	5.16%	3.03%	3.01%	3.22%	17.95%	1.12%	1.09%	Council is continuing with a strategy to progressively reduce borrowings. This reflects in a reduced loan repayment compared to rates each year. In 2022, the first Local Government Funding Vehicle interest only loan matures (\$4.795M) and Council will have sufficient cash available to repay this loan. The 2018 slight increase in the ratio was due to repayment in full at the eighth year of a loan originally borrowed on a ten year repayment schedule with interest rate renegotiated at the fourth and eighth year. No new borrowings is expected after 2021.

	Results				Forecasts				
Dimension/ indicator/ measure	2017	2018	2019	2020	2021	2022	2023	2024	Material variations
Indebtedness <i>Non-current liabilities compared to own source revenue</i> [Non-current liabilities / Own source revenue] x100	23.30%	21.54%	23.82%	25.82%	10.63%	9.36%	8.57%	7.65%	Taking up deferred borrowings from 2017 (\$0.5 million) and 2018 (\$0.8 million) along with new borrowings of \$0.5 million budgeted in 2019, has increased the ratio. The ongoing repayment of borrowings over the forecast period will then see a reduction in our interest bearing liabilities and in 2021 our first LGFV interest only loan of \$4.795 million will become a current liability, with full repayment in 2022.

	Results				Forecasts				
Dimension/indicator/ measure	2017	2018	2019	2020	2021	2022	2023	2024	Material variations
Asset renewal Asset renewal compared to depreciation [Asset renewal expenses / Asset depreciation] x100	76.92%	90.90%	116.77%	-	-	-	-	-	Indicator retired in 2020.
Asset renewal Asset renewal and upgrade expense compared to depreciation [Asset renewal and asset upgrade expenditure / Asset depreciation] x100	-	-	-	93.29%	107.01%	85.40%	81.32%	90.99%	New Indicator in 2020.
Stability Rates concentration Rates compared to adjusted underlying revenue [Rate revenue / Adjusted underlying revenue] x100	47.87%	55.45%	55.93%	54.30%	55.20%	56.78%	60.55%	60.14%	Rate revenue remains a positive trend in the forward projection years of between 2% and 3.8%, whereas the 'adjusted underlying revenue' is influenced by a number of other income streams. The 'adjusted underlying revenue' is forecast to decrease and increase with a range of -2.8% (2023) to 3.75% (2024). A reduction of \$2.47M from aged care reforms (\$0.79M in user fees and \$1.68M recurrent grants) explain the increased dependence on rates in 2023.

	Results				Forecasts				
Dimension/ indicator/ measure	2017	2018	2019	2020	2021	2022	2023	2024	Material variations
Rates effort <i>Rates compared to property values</i> [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.71%	0.72%	0.69%	0.65%	0.65%	0.67%	0.69%	0.71%	In 2020 property values increased by 7.3% and rate revenue increased by 2.0% compared to the previous year. CIV is generally increasing at a faster rate than the increase from rate revenue, as rate revenue increases are capped by the Minister for Local Government. This indicator remains within a +/- 10% window, with the rate in the dollar reducing as overall CIV increases. Swan Hill property assessment values, particularly dry land farming continues to see strong prices and capital improvement across all rating sectors.
Efficiency Expenditure level <i>Expenses per property assessment</i> [Total expenses / Number of property assessments]	\$3,966.00	\$3,765.72	\$3,727.22	\$4,051.22	\$4,251.50	\$4,110.25	\$4,022.09	\$4,094.54	The increase from 2020 is due to Council being the coordinating Council for a regional project. Grant income will be received by Council and redirected to six partner councils under the Commonwealth Regional Growth Fund as an operational expense until 2022.

	Results				Forecasts				
Dimension/ indicator/measure	2017	2018	2019	2020	2021	2022	2023	2024	Material variations
Revenue level									
<i>Average residential/ rate per residential property assessment</i> [Residential rate revenue / Number of residential property assessments]	\$1,586.96	\$1,636.84	\$1,690.08	-	-	-	-	-	Indicator retired in 2020.
Revenue level									
<i>Average rate per property assessment</i> [Total rate revenue / Number of property assessments]	-	-	-	\$2,028.86	\$2,078.90	\$2,122.75	\$2,164.33	\$2,215.94	New indicator in 2020.
Workforce turnover									
<i>Resignations and terminations</i> [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x 100	16.29%	12.97%	12.11%	-	-	-	-	-	Indicator retired in 2020.

Financial Performance Indicator definitions

"adjusted underlying revenue" means total income other than—

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

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

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

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

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

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

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

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

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

"population" means the resident population estimated by Council

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

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

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

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

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

Other information

1. Basis of preparation

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

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

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

The forecast figures included in the performance statement are those adopted by Council in its strategic resource plan on 21 July 2020 and which forms part of the Council Plan. The strategic resource plan includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General Purpose Financial Statements. The strategic resource plan can be obtained by contacting Council.

Certification of the performance statement

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



Joel Lieschke CPA

Principal Accounting Officer

Dated: 20 October 2020

In our opinion, the accompanying performance statement of the Swan Hill Rural City 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 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.



William Moar

Councillor (Mayor)

Dated: 20 October 2020



Chris Jeffery

Councillor

Dated: 20 October 2020



John McLinden

Chief Executive Officer

Dated: 20 October 2020

Independent Auditor's Report

To the Councillors of Swan Hill Rural City Council

Opinion	<p>I have audited the accompanying performance statement of Swan Hill Rural City 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>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the performance statement</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. I and my staff are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the performance statement in Victoria and have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Councillors' responsibilities for the performance statement	<p>The Councillors are responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the <i>Local Government Act 1989</i> and for such internal control as the Councillors determines is necessary to enable the preparation and fair presentation of the statement of performance that is free from material misstatement, whether due to fraud or error.</p>
Auditor's responsibilities for the audit of the performance statement	<p>As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the performance statement based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the performance statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion.</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

Appendices

Donations and contributions

Organisation	Purpose	Amount
Art and Craft Exhibition Ultima	Sponsorship	\$700
Bobbin on the Murray	Sponsorship	\$200
Chinkapook Christmas Tree	Sponsorship	\$500
Chinkapook Reserves Committee of Management Inc.	Contribution	\$3,161
Christmas Twilight Market	Sponsorship	\$4,500
Community Carols by Candlelight	Contribution	\$118
Community Carols by Candlelight	Sponsorship	\$250
Country Fire Authority	Contribution	\$844
Drive in Cinema	Contribution	\$775
Food and Wine Festival 2020	Contribution	\$1,770
Food andWine Festival 2020	Sponsorship	\$3,000
Girl Guides Association of Victoria – Nyah Girl Guides	Contribution	\$5,000
Lake Boga Football Netball Club	Contribution	\$1,432
Lake Boga Sports Club Inc.	Contribution	\$5,000
Lake Boga Yacht Club Easter Regatta	Sponsorship	\$1,000
Lead Loddon Murray	Sponsorship	\$7,000
Lions Club of Lake Boga Inc	Sponsorship	\$1,000
Mallee Almond Blossom Festival	Contribution	\$875
Mallee Almond Blossom Festival	Sponsorship	\$2,000
Mallee Lace Makers	Contribution	\$200
Manangatang Public Hall Committee	Contribution	\$1,500
Manangatang Recreation Reserve Committee	Contribution	\$909
Manangatang Tennis Club Inc.	Contribution	\$500

Organisation	Purpose	Amount
Massive Murray Paddle	Sponsorship	\$2,000
Mental Health Week	Contribution	\$538
Mid Murray Pistol Club	Contribution	\$2,690
New Years Eve	Sponsorship	\$27,000
New Years Eve	Contribution	\$2,305
Nyah District Christmas Carnival	Sponsorship	\$1,050
Piangil Memorial Park Reserve	Contribution	\$2,253
Robinvale Euston Ski Race 2020	Sponsorship	\$2,000
Robinvale Lantern Festival	Contribution	\$2,228
Robinvale Lantern Festival	Sponsorship	\$1,500
Robinvale Netball Association	Contribution	\$500
Robinvale Patchwork	Sponsorship	\$500
Robinvale Rifle Club	Contribution	\$5,000
Rotary Club of Robinvale-Euston	Contribution	\$1,500
Rotary Club of Swan Hill	Sponsorship	\$71
Ski Racing Victoria	Sponsorship	\$2,000
Speewa 9th Annual Rally	Sponsorship	\$500
Speewa Heritage Collectors	Contribution	\$500
St Mary MacKillop College	Sponsorship	\$500
Swan Hill Agricultural Society	Sponsorship	\$1,000
Swan Hill Basketball Tournament	Sponsorship	\$4,500
Swan Hill Bone Marrow Group	Sponsorship	\$1,000
Swan Hill Bowls Autumn Carnival	Sponsorship	\$1,000
Swan Hill Bowls Autumn Carnival	Contribution	\$1,379
Swan Hill College	Sponsorship	\$2,000
Swan Hill Community Toy Library	Contribution	\$1,000
Swan Hill Education Trust	Contribution	\$500

Organisation	Purpose	Amount
Swan Hill Farmers Market	Contribution	\$4,500
Swan Hill Field and Game 31st Anniversary	Sponsorship	\$1,000
Swan Hill Film Festival	Sponsorship	\$1,000
Swan Hill Food Truck Festival	Contribution	\$462
Swan Hill Food Truck Festival	Sponsorship	\$5,000
Swan Hill Football Netball Club	Contribution	\$1,500
Swan Hill Gymnastics Club	Contribution	\$5,000
Swan Hill Inc	Contribution	\$3,000
Swan Hill Jockey Club Three Day Carnival 2019	Sponsorship	\$2,000
Swan Hill Junior Fire Brigade	Contribution	\$844
Swan Hill Market Day	Contribution	\$829
Swan Hill Ministers Fellowship	Sponsorship	\$250
Swan Hill Neighbourhood House	Contribution	\$2,848
Swan Hill Riding for the Disabled	Contribution	\$455
Swan Hill Show	Contribution	\$1,604
Swan Hill Show	Sponsorship	\$1,000
Swan Hill Stroke Support Group	Contribution	\$500
Swan Hill Theatre Group	Contribution	\$5,000
Things with Strings	Sponsorship	\$9,000
Tooleybuc/Manangatang Football Netball Club Inc.	Contribution	\$5,000
Trick Or Treat with Unicorns	Contribution	\$2,500
Ultima Progress Association	Contribution	\$700
Victorian Police Bikes	Sponsorship	\$3,183
Voyage Fitness Riverside Tri	Sponsorship	\$1,500
Voyage Fitness Riverside Tri 2020	Contribution	\$576
Weed Warriors	Contribution	\$480
Wemen Progress Association	Contribution	\$2,727

Appendix 2: Organisations of which Council is a financial member

Organisation	Amount
Australasian Fleet Managers Association	\$423
Australian Airports Association	\$546
Australian Livestock Markets Association	\$1,515
Australian Livestock Saleyards Association Inc.	\$4,903
Central Victorian Greenhouse Alliance	\$12,500
Community Childcare Association	\$255
Dept of Education and Training	\$316
Institute of Public Works Engineering Australia	\$290
Keep Australia Beautiful Inc	\$455
LGPro Membership	\$1,044
Local Government Finance Professionals	\$136
Local Government Infrastructure Design Association	\$500
Loddon Mallee Waste and Resource Recovery Group	\$4,000
Municipal Association of Victoria	\$27,655
Murray River Group of Councils	\$7,130
Murray River Regional Tourism Ltd	\$25,737
National Saleyards Quality Assurance Inc	\$530
North West Municipalities Association	\$1,000
Our Community Pty Ltd	\$318
Planning Enforcement Officers Association	\$70
Play Australia (IPA Australia)	\$300
Public Galleries Association of Victoria	\$824
Public Libraries Victoria Network Inc	\$1,900

Organisations of which Council is a financial member continued

Organisation	Amount
Rail Freight Alliance	\$3,155
Rural Councils Victoria Inc	\$3,000
School Crossings Victoria Inc	\$100
Vicsport	\$382
Victorian Association of Performing Arts Centres	\$1,388
Victorian Maternal Child and Health	\$75
Victorian Municipal Building Surveyors Group Inc	\$500
Victorian Tourism Industry Limited	\$1,200





General Purpose Financial Statements

Understanding the Financial Statements

Introduction

The financial report is a key report by the Swan Hill Rural City Council. It shows how Council performed financially during the 2019/20 financial year and the overall position at the end of the financial year (30 June 2020).

Council presents its financial report in accordance with the Australian Accounting Standards.

Particular terms required by the standards might not be familiar to some readers. Council is committed to accountability and it is in this context that the following explanations have been developed to assist readers understand and analyse the financial report.

What is contained in the Annual Financial Report?

Council's financial report has two main sections, namely the report and the notes. There are five statements and 10 notes. These are prepared by Council staff, examined by the Audit Committee and Council, and are audited by the Victorian Auditor-General.

The five statements included in the first few pages of the report are the Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows and Statement of Capital Works.

The notes detail Council's accounting policies and the make-up of values contained in the statements.

1. Comprehensive Income Statement

The Comprehensive Income Statement measures Council's performance over the year and shows if a surplus or a deficit has been made in delivering services.

The statement includes all sources of income, less all operating expenses incurred in delivering Council services. This includes depreciation, or the writing down, of the value of buildings, roads, footpaths, drains and all other infrastructure assets that are used to deliver Council services.

These assets are depreciated over the life of the asset or as they are consumed. Capital costs or new assets purchased or created during the year are excluded from the statement but, as indicated above, are depreciated as they are used.

The statement is prepared on an accrual basis. This means that generally all income and costs for the year are recognised even though the income may not yet be received (such as interest on bank deposits) or expenses not yet paid (invoices not yet received for goods and services already used).

2. Balance Sheet

The Balance Sheet is an important financial statement. This one-page summary is a snapshot of the financial position as at 30 June 2020. It shows what the Council owns as assets and what it owes as liabilities.

The bottom line of this statement is net assets. This is the net worth of Council that has been built up over many years.

The assets and liabilities are separated into current and non-current. Current means those assets or liabilities that will fall due or be consumed in the next 12 months. The components of the Balance Sheet are described on the following page.

Current and non-current assets

- Cash includes cash and cash equivalents i.e. cash held in the bank, petty cash and term deposits.
- Receivables are monies owed to Council by ratepayers and other debtors.
- Other assets include income earned but not yet received and accounts which have been prepaid.
- Property, plant and equipment, infrastructure is the largest component of Council's worth and represents the value of all land, buildings, roads, vehicles, equipment, and other items which have been invested in by Council over many years.

Current and non-current liabilities

- Payables are those to whom Council owes money as at 30 June 2020.
- Provisions include employee benefits, which is the accounting term for accrued long service and annual leave. Landfill restoration works are also grouped under provisions.
- Interest bearing loans and borrowings, which are repaid over a set period of time, finance leases that are leases of assets where ownership of the asset is transferred to the Council.

Net assets

This term is used to describe the difference between the value of total assets and the value of total liabilities. It represents the net worth of Council as at 30 June 2020. The net value of the Council is also synonymous with total equity.

Total equity

- Asset revaluation reserve is the difference between the previously recorded value of property and infrastructure assets and their current valuations.
- Accumulated surplus is the value of all net assets accumulated over time, including other reserve allocations for specific projects.

3. Statement of Changes in Equity

During the course of the year, the value of total ratepayers equity as set out in the Balance Sheet changes. This statement shows the values of such changes and how these changes arose.

The main reason for a change in equity stem from:

- The surplus/(deficit) for the year from operations, described in the Comprehensive Income Statement as the surplus/(deficit) for the year.
- Revaluation of assets; takes on a regular schedule basis on average every three years. It also occurs when existing assets are taken up in the books for the first time.

4. Statement of Cash Flows

The Statement of Cash Flows summarises Council's cash payments and cash receipts for the year. This statement is presented according to a very specific accounting standard and needs some care in analysis.

The values may differ from those shown in the Comprehensive Income Statement because the Comprehensive Income Statement is prepared on an accrual accounting basis.

Cash in this statement refers to bank deposits and other forms of highly liquid investments that can readily be converted to cash.

Council's cash arises from, and is used in, three main areas:

Cash flow operating activities

- Receipts – all cash received into Council's bank account from ratepayers and others that owed money to Council. Receipts also include the interest earned from Council's cash investments. It does not include the costs associated with the sale of assets.
- Payments – all cash paid by Council from its bank account to staff, creditors and other persons. It does not include the costs associated with the creation of assets.

Cash flow from investing activities

The accounting term investing activities relates to payments for the acquisition and creation of assets, such as new plant, roads and other long-term revenue producing assets, and the proceeds from the sale of assets such as plant and land.

Cash flow from financing activities

This is where the receipt and repayment of borrowed funds are recorded. The bottom line of the Cash Flow Statement is the cash at end of financial year. This shows the capacity of Council to meet its debts and other liabilities.

5. Statement of Capital Works

Each year a significant portion of Council budget gets allocated to Capital Works projects. This Statement aims to give readers an understanding of what capital works assets have been built, upgraded or renewed throughout the financial year.

This Statement is broken down by asset category to provide further information as to what asset category these funds have been spent.

Notes to the Accounts

The notes are a very important and informative section of the report. The Australian Accounting Standards are not prescriptive in a lot of issues. Therefore, to enable the reader to understand the basis on which the values shown in the statements are established, it is necessary to provide details of Council's accounting policies within the notes.

The notes give details behind many of the summary figures contained in the statements. The note numbers are shown beside the relevant items in the Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows and Statement of Capital Works.

Where Council wishes to disclose other information that cannot be incorporated onto the face of the Statements, this is shown in the notes.

The notes also include a comparison to budget (note 1). This note reports on the actual performance of Council to its adopted budget, and provides commentary to all material variances.

The notes should be read at the same time as, and together with, the other parts of the financial statements to get a clear picture of the accounts.

Statements by Principal Accounting Officer and Councillors

The Certification of the Principal Accounting Officer is made by the person responsible for the financial management of Council that, in his opinion, the financial statements have met all the statutory and professional reporting requirements.

The Certification of Councillors is made by two Councillors on behalf of Council that, in their opinion, the financial statements are fair and not misleading. The Chief Executive Officer also endorses and signs the certification.

Auditor General's Report

The Independent Audit Report is the external and independent opinion on the financial statements. It provides the reader with a totally independent opinion on the financial statements. The opinion covers both the statutory and professional requirements and also the fairness aspects of the financial statements.

**Swan Hill Rural City Council
ANNUAL FINANCIAL REPORT**

For the Year Ended 30 June 2020

Swan Hill Rural City Council

Financial Report

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Certification of the Financial Statements

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



Joel Lieschke CPA
Principal Accounting Officer

Date : 20 October 2020

Swan Hill Rural City Council

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

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

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



Mr Bill Moar
Councillor (Mayor)
Date : 20 October 2020
Swan Hill Rural City Council



Mr Chris Jeffery
Councillor

Date : 20 October 2020

Swan Hill Rural City Council



Chief Executive Officer

Date : 20 October 2020

Swan Hill Rural City Council

Independent Auditor's Report

To the Councillors of Swan Hill Rural City Council

Opinion	<p>I have audited the financial report of Swan Hill Rural City 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

Comprehensive Income Statement For the Year Ended 30 June 2020

	Note	2020 \$	2019 \$
Income			
Rates and charges	3.1	28,245,339	27,691,421
Statutory fees and fines	3.2	983,904	1,036,820
User fees	3.3	3,642,813	4,517,110
Grants - operating	3.4	12,502,242	10,881,813
Grants - capital	3.4	7,048,287	3,650,527
Contributions - monetary	3.5	377,350	264,508
Contributions - non monetary	3.5	44,612	475,683
Net gain (or loss) on disposal of property, infrastructure, plant and equipment	3.6	190,598	1,004,644
Other income	3.7	3,347,954	2,636,625
Total income		56,383,099	52,159,151
Expenses			
Employee costs	4.1	19,053,001	19,194,683
Materials and services	4.2	18,486,441	15,136,864
Depreciation	4.3	9,420,218	8,534,709
Amortisation - right of use assets	4.4	366,666	-
Bad and doubtful debts	4.5	49,648	51,072
Borrowing costs	4.6	342,436	326,443
Finance costs - leases	4.7	31,732	6,012
Other expenses	4.8	1,034,700	1,514,182
Total expenses		48,784,842	44,763,965
Surplus for the year		7,598,257	7,395,186
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation increment	9.1	31,326,049	7,906,425
Total comprehensive result		38,924,306	15,301,611

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

Balance Sheet
As at 30 June 2020

	Note	2020 \$	2019 \$
Assets			
Current assets			
Cash and cash equivalents	5.1	11,380,969	7,989,911
Trade and other receivables	5.1	3,608,840	2,653,132
Other financial assets	5.1	26,328,818	21,589,437
Inventories	5.2	171,629	161,558
Other assets	5.2	253,683	389,015
Total current assets		41,743,939	32,783,053
Non-current assets			
Trade and other receivables	5.1	27,066	60,850
Other assets	5.2	50,000	50,000
Property, infrastructure, plant and equipment	6.1	490,752,374	458,720,968
Right-of-use assets	5.8	850,369	-
Intangible assets	5.2	3,072,000	2,764,800
Total non-current assets		494,751,809	461,596,618
Total assets		536,495,748	494,379,671
Liabilities			
Current liabilities			
Trade and other payables	5.3	2,501,190	2,737,383
Trust funds and deposits	5.3	291,990	238,715
Unearned income	5.3	2,221,943	-
Provisions	5.5	5,193,011	5,130,074
Interest-bearing liabilities	5.4	557,219	481,922
Lease liabilities	5.8	427,132	81,360
Total current liabilities		11,192,485	8,669,454
Non-current liabilities			
Provisions	5.5	1,620,677	1,371,941
Interest-bearing liabilities	5.4	7,293,919	7,358,930
Lease liabilities	5.8	485,015	-
Total non-current liabilities		9,399,611	8,730,871
Total liabilities		20,592,096	17,400,325
Net assets		515,903,652	476,979,346
Equity			
Accumulated surplus		305,910,924	298,312,667
Reserves	9.1	209,992,728	178,666,679
Total Equity		515,903,652	476,979,346

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

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

	Note	Total \$	Accumulated Surplus \$	Revaluation Reserve \$
2020				
Balance at beginning of the financial year		476,979,346	298,312,667	178,666,679
Impact of change in accounting policy - AASB 15 Revenue from Contracts with Customers	10	-	-	-
Impact of change in accounting policy - AASB 1058 Income of Not-for-Profit Entities	10	-	-	-
Impact of change in accounting policy - AASB 16 Leases	5.8	-	-	-
Adjusted Opening balance		476,979,346	298,312,667	178,666,679
Surplus for the year		7,598,257	7,598,257	-
Net asset revaluation increment	9.1	31,326,049	-	31,326,049
		38,924,306	7,598,257	31,326,049
Balance at end of the financial year		515,903,652	305,910,924	209,992,728

		Total \$	Accumulated Surplus \$	Revaluation Reserve \$
2019				
Balance at beginning of the financial year		461,677,735	290,917,481	170,760,254
Surplus for the year		7,395,186	7,395,186	-
Net asset revaluation increment	9.1	7,906,425	-	7,906,425
Balance at end of the financial year		476,979,346	298,312,667	178,666,679

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

Statement of Cash Flows
For the Year Ended 30 June 2020

		2020 Inflows/ (Outflows) \$	2019 Inflows/ (Outflows) \$
	Note		
Cash flows from operating activities			
Rates and charges		27,776,508	27,486,617
Statutory fees and fines		983,904	1,036,820
User fees		3,112,205	3,679,894
Grants - operating		14,724,185	10,881,813
Grants - capital		7,048,287	3,650,527
Contributions - monetary		377,350	254,358
Interest received		732,406	853,635
Other receipts		2,615,548	1,814,031
Net GST refund/payment		2,060,629	1,808,368
Employee costs		(19,160,446)	(19,255,459)
Materials and services		(20,371,020)	(15,560,674)
Other payments		(427,084)	(748,425)
Net cash provided by operating activities	9.2	19,472,472	15,901,505
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment	6.1	(10,903,088)	(12,155,369)
Proceeds from sale of property, infrastructure, plant and equipment		329,367	1,180,290
Payments for investments		(4,739,381)	(486,854)
Net cash used in investing activities		(15,313,102)	(11,461,933)
Cash flows from financing activities			
Finance costs		(348,448)	(332,455)
Proceeds from borrowings		500,000	1,800,000
Repayment of borrowings		(489,714)	(494,557)
Interest paid - lease liability		(25,720)	-
Repayment of lease liabilities		(404,430)	-
Net cash provided by financing activities		(768,312)	972,988
Net increase in cash and cash equivalents		3,391,058	5,412,560
Cash and cash equivalents at the beginning of the financial year		7,989,911	2,577,351
Cash and cash equivalents at the end of the financial year		11,380,969	7,989,911
Financing arrangements	5.6		
Restrictions on cash assets	5.1		

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

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

	Note	2020 \$	2019 \$
Property			
Land		8,000	-
Buildings		1,116,199	1,091,629
Total property		<u>1,124,199</u>	<u>1,091,629</u>
Plant and equipment			
Plant, machinery and equipment		1,110,637	1,280,357
Fixtures, fittings and furniture		72,419	42,128
Computers and telecommunications		134,955	61,918
Total plant and equipment		<u>1,318,011</u>	<u>1,384,403</u>
Infrastructure			
Sealed Roads		5,148,126	5,017,981
Unsealed Roads		1,055,230	1,043,741
Footpaths and cycleways		368,450	307,463
Drainage		156,363	376,379
Recreational, leisure and community facilities		182,530	245,924
Parks, open space and streetscapes		1,161,212	263,081
Other infrastructure		243,419	2,134,211
Total infrastructure		<u>8,315,330</u>	<u>9,388,780</u>
Culture and heritage			
Library books		140,339	129,721
Artworks		5,209	2,000
Pioneer Settlement - buildings		-	63,188
Pioneer Settlement - vehicles and vessels		-	95,648
Total plant and equipment		<u>145,548</u>	<u>290,557</u>
Total capital works expenditure		<u>10,903,088</u>	<u>12,155,369</u>
Represented by:			
New asset expenditure		2,115,428	1,077,545
Asset renewal expenditure		7,448,354	9,966,264
Asset expansion expenditure		-	-
Asset upgrade expenditure		1,339,306	1,111,560
Total capital works expenditure		<u>10,903,088</u>	<u>12,155,369</u>

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

Notes to the Financial Report For the Year Ended 30 June 2020

OVERVIEW

Introduction

The Swan Hill Rural City Council was established by an Order of the Governor in Council on 20 January 1995 and is a body corporate.

The Council's main office is located at 45 Splatt St Swan Hill.

Statement of compliance

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

Significant accounting policies

(a) Basis of accounting

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

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

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

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

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

Unless otherwise stated, all accounting policies are consistent with those applied in the prior year. Where appropriate, comparative figures have been amended to accord with current presentation (except where transitional requirements of *AASB 15 Revenue from 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.

**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 \$1,000,000 where further explanation is warranted. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

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

1.1 Income and expenditure

	Budget 2020 \$	Actual 2020 \$	Variance 2020 \$	Variance 2020 %	Ref
Income					
Rates and charges	28,297,000	28,245,339	(51,661)	0%	
Statutory fees and fines	961,000	983,904	22,904	2%	
User fees	4,638,000	3,642,813	(995,187)	-21%	1
Grants - operating	15,015,000	12,502,242	(2,512,758)	-17%	2
Grants - capital	4,103,000	7,048,287	2,945,287	72%	3
Contributions - monetary	121,000	377,350	256,350	212%	4
Contributions - non monetary	-	44,612	44,612	100%	5
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	189,000	190,598	1,598	1%	
Other income	3,514,000	3,347,954	(166,046)	-5%	
Total income	56,838,000	56,383,099	(454,901)	-1%	
Expenses					
Employee costs	20,083,000	19,053,001	1,029,999	-5%	6
Materials and services	19,942,000	18,486,441	1,455,559	-7%	7
Depreciation	9,297,000	9,420,218	(123,218)	1%	
Amortisation - Right of use assets	-	366,666	(366,666)	100%	8
Bad and doubtful debts	2,000	49,648	(47,648)	2382%	9
Borrowing costs	362,000	342,436	19,564	-5%	
Finance costs - Leases	-	31,732	(31,732)	100%	10
Other expenses	1,099,000	1,034,700	64,300	-6%	
Total expenses	50,785,000	48,784,842	2,000,158	-4%	
Surplus/(deficit) for the year	6,053,000	7,598,257	(2,455,059)	26%	

(i) Explanation of material variations

- 1 The majority of this variance comes from the closure of operations due to the COVID-19 Pandemic. Reductions in parking fee income (\$53,000), Pioneer Settlement admissions and other sales were \$532,000 below budget, and hire and leasing fees were reduced by \$153,000.
- 2 This variance relates to the Our Region Our Rivers grant. The budget allows for the receipt of the full funding, however the grant will only be paid to Council upon submission of milestone reports. To date the milestones have been met and receipt of grants has totalled \$1,999,000 of the \$4,499,000 budgeted grant (\$2,500,000 variance).
- 3 Additional funding for the Roads to Recovery program of \$1,004,000 and \$1,600,000 for the Fixing Country Roads program were received. Grants for the Swan Hill Skate Park (\$151,000) and Swan Hill Riverside Park Adventure Playground (\$805,000) had been forecast to be received in the prior financial year but not received until 2019/20.
- 4 The budget allowed for contributions for capital projects only. The result correctly reflects contributions for operational Council services that had previously been reported in user fees and charges.
- 5 Council received Artworks donated to the Gallery Collection. Donation of assets isn't budgeted for.
- 6 A number of staff vacancies for extended periods of time and delays in recruitment resulted in savings across the year. There was also reductions in employee costs due to a number of Council services having to stand down staff due to the COVID-19 Pandemic.
- 7 The most significant variance is the payment of the Our Region Our Rivers grants to the partner Councils. The budget has allowed \$4,499,000, where as to date payments have totalled \$1,999,000. Refer Note 2.
- 8 Amortisation of finance lease assets being reported for the first time to comply with AASB 16 Leases.
- 9 The budget was based on the forecast value of debt write offs. It does not include the movement in provision which amounted to \$35,542.
- 10 Finance lease costs reported as per AASB 16 Leases. Refer Note 8 above.

**Notes to the Financial Report
For the Year Ended 30 June 2020**

1.2 Capital works

	Budget 2020 \$	Actual 2020 \$	Variance \$	Variance %	Ref
Property					
Land	650,000	8,000	(642,000)	-99%	1
Buildings	3,401,000	1,116,199	(2,284,801)	-67%	2
Total property	4,051,000	1,124,199	(2,926,801)	-72%	
Plant and equipment					
Plant, machinery and equipment	1,093,000	1,110,637	17,637	2%	
Fixtures, fittings and furniture	18,000	72,419	54,419	302%	3
Computers and telecommunications	310,000	134,955	(175,045)	-56%	4
Total plant and equipment	1,421,000	1,318,011	(102,989)	-7%	
Infrastructure					
Sealed roads	4,702,000	5,148,126	446,126	9%	
Unsealed roads	1,024,000	1,055,230	31,230	3%	
Footpaths and cycleways	344,000	368,450	24,450	7%	
Drainage	666,000	156,363	(509,637)	-77%	5
Recreational, leisure and community facilities	651,000	182,530	(468,470)	-72%	6
Parks, open space and streetscapes	4,066,000	1,161,212	(2,904,788)	-71%	7
Other infrastructure	1,156,000	243,419	(912,581)	-79%	8
Total infrastructure	12,609,000	8,315,330	(4,293,670)	-34%	
Cultural and heritage					
Library books	145,000	140,339	(4,661)	-3%	
Artworks	-	5,209	5,209	100%	9
Total plant and equipment	145,000	145,548	548	0%	
Total capital works expenditure	18,226,000	10,903,088	(7,322,912)	-40%	
Represented by:					
New asset expenditure	9,071,000	2,115,428	(6,955,572)	-77%	
Asset renewal expenditure	9,014,000	7,448,354	(1,565,646)	-17%	
Asset upgrade expenditure	141,000	1,339,306	1,198,306	850%	
Total capital works expenditure	18,226,000	10,903,088	(7,322,912)	-40%	

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Land	The budget allowed \$500,000 for the Tower Hill development. These funds were spent and the works capitalised as drainage, and sealed roads.
2	Buildings	The most significant building works in the budget were the Ken Harrison Reserve Soccer Pavilion (\$565,505), Swan Hill Leisure Centre Group Fitness Room (\$450,000), and the Our Place Building (\$1,467,590). These projects were yet to have any significant works completed on them at year end.
3	Fixtures, fittings and furniture	Works completed at the Swan Hill Town Hall and Splatt St Municipal Office had been forecast as building works, however the capitalisation of the assets was assessed as furniture and fittings.
4	Computers and telecommunications	The majority of this variance is due to budgeted costs that could not be capitalised. This included software and items that didn't meet capitalisation thresholds.
5	Drainage	Construction of the Robinvale Levee had only begun in June and the budget of \$486,935 is to be spent in the 2020/21 year.
6	Recreational, leisure and community	Works at the Nyah Recreation Reserve for netball court resurfacing and lighting was underway in June but had not been completed at year end.
7	Parks, open space and streetscapes	This variance relates to the Swan Hill Riverfront Masterplan Connecting the CBD to the Riverfront project. This project is dependant on grant funding and various approvals and permits, with works continuing to get the projects underway as soon as possible.
8	Other infrastructure	This variance is due to redevelopment works at the Swan Hill Aerodrome (\$504,000) being delayed and Community Plan projects not being ready for construction.
9	Artworks	Council was able to purchase a number of works funded by donations to the Art Gallery acquisitions fund.

Notes to the Financial Report For the Year Ended 30 June 2020

Note 2 Analysis of Council results by program

Council delivers its functions and activities through the following programs.

2 (a) Economic growth

Economic growth will encourage new business development, provide support for business expansion and will continuously seek to help our existing businesses to prosper. This function provides, building and planning statutory services, management of caravan parks, economic development programs, regulatory services and parking control, management of the Pioneer Settlement and regional visitor information centre.

Community enrichment

Community enrichment function will provide a range of services to individuals and to the broader community that assist all in our community to live healthy, fulfilling lives. We will embrace our role as a regional centre by providing a range of cultural opportunities. The community enrichment function includes aged care services, maternal and child health, after school and vacation programs, libraries, art gallery and performing arts.

Infrastructure

Infrastructure will provide and maintain publicly accessible infrastructure that is appropriate for the community's needs in the most effective and efficient manner possible. The infrastructure function is responsible for constructing new infrastructure and maintaining existing infrastructure across the municipality.

Governance and leadership

Governance and leadership provides efficient, effective and proactive support services across council to enable the delivery of policy commitments, council vision and mission. The function will plan for our municipality's long term growth and development by committing to a robust program of strategic planning while representing our community's interests and conducting our affairs openly and with integrity, reflecting the high levels of governance our community expects.

**Notes to the Financial Report
For the Year Ended 30 June 2020**

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

	Income	Expenses	Surplus/ (Deficit)	Grants included in income	Total Assets
	\$	\$	\$	\$	\$
2020					
Economic Growth	8,445,624	(11,469,069)	(3,023,445)	3,191,650	7,875,911
Community enrichment	6,454,999	(10,029,775)	(3,574,776)	3,872,027	2,841,493
Infrastructure	12,976,237	(20,879,742)	(7,903,505)	7,730,298	482,392,271
Governance and leadership	28,506,239	(6,406,255)	22,099,984	4,756,554	43,386,072
	56,383,099	(48,784,841)	7,598,258	19,550,529	536,495,747
	Income	Expenses	Surplus/ (Deficit)	Grants included in income	Total Assets
	\$	\$	\$	\$	\$
2019					
Economic Growth	4,479,187	(9,760,775)	(5,281,588)	780,810	7,561,158
Community enrichment	4,451,807	(7,028,927)	(2,577,120)	3,200,417	2,441,398
Infrastructure	10,999,539	(20,754,761)	(9,755,222)	5,817,781	449,569,851
Governance and leadership	32,228,618	(7,219,502)	25,009,116	4,733,330	34,807,264
	52,159,151	(44,763,965)	7,395,186	14,532,338	494,379,671

2 (c) COVID-19 impact on 2019-20 Operations of Council

The Coronavirus (COVID-19) was declared a world-wide pandemic by the World Health Organisation in March 2020. COVID-19, as well as measures to slow the spread of the virus, have since had an impact on the Australian and local economy.

As at the date of preparation of these financial statements the impact of the Coronavirus (COVID-19) pandemic is ongoing and the situation is rapidly changing, developing. The speed and recovery of economic activity is largely dependent on measures imposed by the Australian Government, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

COVID-19, as well as measures including government directives to slow the spread of the virus in Australia, have impacted Council operations in the following areas:

- the leisure centre facilities, library, art gallery, town hall and public halls, community centres, municipal offices and the Pioneer Settlement (museum) were closed to the public during stage 3 restrictions. These closures resulted in a redeployment of Council staff from closed facilities to other Council roles and a number of staff stand-downs. User charge based items such as parking meters and associated fines have also reduced due to stay at home measures. Closure of some of Council's facilities and reduction in user charge based items and fines, has resulted in a decrease in Council's user fee revenue and also decreased associated expenses.
- Council paused all commercial rent agreements on caravan parks and sporting and social club leases for the last four months of the year. This resulted in a decrease in rent revenue and also associated maintenance and outgoing expenses.
- Council's rate revenue has been impacted by deferrals and interest free periods provided to all commercial properties and to rate payers who have lodged hardship claims.
- some capital works projects and budgeted capital expenditure have been delayed, deferred or withdrawn, and include:
 - \$144,000 building major repairs and maintenance
 - \$100,000 footpath major repairs and replacement
 - \$47,000 playground shade sails
 - \$40,000 irrigation upgrades
 - \$31,000 disabled kerb crossings
 - \$36,000 from cancelled events such as Harmony Day and Sister City Exchanges
- Council received State government funding under the Working for Victoria Jobs Program. This grant provides employment opportunities for 54 people for up to six months, and Council received approval to engage 20% from our stood down workforce (10.8 EFT).

The above impacts on the financial statements for the year ended 30 June 2020, have led to a reduction in income and expenditure in some areas, however overall there has not been a significant impact to Council's 30 June 2020 financial statements.

Given the dynamic and evolving nature of COVID-19, limited recent experience of the economic and financial impacts of such a pandemic on the preparation of these financial statements, changes to the estimates and judgements that have been applied in the measurement of assets and liabilities may arise in the future. Other than adjusting events that provide evidence of conditions that existed at the end of the reporting period, the impact of events that arise after the reporting period will be accounted for in future reporting periods.

**Notes to the Financial Report
For the Year Ended 30 June 2020**

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

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 value of its land, buildings and improvements.

The valuation base used to calculate general rates for 2019/20 was \$4,238 million (2018/19 \$3,938 million).

Residential	10,384,602	10,224,264
Commercial	1,728,091	1,741,150
Industrial	901,764	741,090
Farm/rural	11,442,039	11,301,265
Supplementary rates and rate adjustments	98,431	167,542
Garbage charge	3,150,850	3,122,662
Special Marketing Rates	359,187	362,347
Rate agreements - Electricity Industry Act	288,538	132,217
Other	(93,087)	(86,288)
Abandonments	(15,076)	(14,828)
Total rates and charges	28,245,339	27,691,421

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	46,988	90,275
Building and planning fees	572,356	512,722
Valuation data fees	-	120,516
Animal Registration and release fees	154,107	146,306
Health Registration Fees	124,591	122,612
Other Fees and Fines	85,862	44,389
Total statutory fees and fines	983,904	1,036,820

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

3.3 User fees

Aged and health services	665,751	648,604
Administration fees	132,958	104,063
Child care/children's programs	102,577	136,621
Parking	202,143	255,497
Sales - Admissions	769,265	1,110,595
Sales - merchandising, catering, other sales	371,782	540,398
Hire & Leasing fees	516,960	731,127
Livestock Exchange	636,462	635,366
Other fees and charges	244,915	354,839
Total user fees	3,642,813	4,517,110
User fees by timing of revenue recognition		
User fees recognised over time	516,960	731,127
User fees recognised at a point in time	3,125,853	3,785,983
Total user fees	3,642,813	4,517,110

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

**Notes to the Financial Report
For the Year Ended 30 June 2020**

3.4 Funding from other levels of government	2020	2019
Grants were received in respect of the following :	\$	\$
Summary of grants		
Commonwealth funded grants	13,564,281	8,414,023
State funded grants	5,986,248	6,118,317
Total grants received	19,550,529	14,532,340
(a) Operating Grants		
Recurrent - Commonwealth Government		
Financial Assistance Grants - general purpose*	4,756,554	4,732,893
Financial Assistance Grants - local roads*	2,239,120	2,266,908
Family day care	340	222,649
Out of school hours care	202,283	164,353
Home and community care	1,493,320	-
Recurrent - State Government		
Employment subsidies	-	438
Public health	17,478	23,457
Home and community care	-	1,526,588
Art Gallery and performing arts	150,000	150,000
School crossing supervisors	43,218	48,328
Libraries	202,000	197,073
Maternal child health	381,395	457,008
Other	125,041	115,569
Total recurrent operating grants	9,610,749	9,905,264
*50% of the 2020/21 allocation was received prior to June 30 (2019, 50% received prior to June 30)		
Non-recurrent - Commonwealth Government		
Our Region Our Rivers	1,998,942	-
Home & community care	30,977	-
Non-recurrent - State Government		
Community Projects	75,070	228,387
Environmental protection	75,000	85,000
Waste management	16,000	800
Indigenous affairs	23,084	5,688
Cultural heritage	-	17,600
Libraries	11,500	4,726
Economic development	21,707	98,750
Home & community care	105,407	181,907
Family and children	286,306	271,182
Working for Victoria	240,000	-
Other	7,500	82,509
Total non-recurrent operating grants	2,891,493	976,549
Total operating grants	12,502,242	10,881,813
(b) Capital Grants		
Recurrent - Commonwealth Government		
Roads to recovery	2,151,237	1,027,220
Total recurrent capital grants	2,151,237	1,027,220
Non-recurrent - Commonwealth Government		
Our Region Our Rivers	691,508	-
Non-recurrent - State Government		
Roads	2,445,720	679,683
Drainage	10,000	447,980
Parks playgrounds and street beautification	923,136	560,228
Art and heritage	7,331	116,731
Buildings	230,000	320,610
Waste management	126,280	60,000
Livestock exchange	463,075	438,075
Total non-recurrent capital grants	4,897,050	2,623,307
Total capital grants	7,048,287	3,650,527

**Notes to the Financial Report
For the Year Ended 30 June 2020**

	2020	2019
	\$	\$
(c) Unspent grants received on condition that they be spent in a specific manner		
Operating		
Balance at start of year	4,308,024	3,720,566
Received during the financial year and remained unspent at balance date	(3,732,051)	4,142,879
Received in prior years and spent during the financial year	4,195,274	(3,555,421)
Balance at year end	<u>4,771,247</u>	<u>4,308,024</u>
Capital		
Balance at start of year	1,645,510	1,048,945
Received during the financial year and remained unspent at balance date	(332,125)	1,122,700
Received in prior years and spent during the financial year	1,425,835	(526,135)
Balance at year end	<u>2,739,220</u>	<u>1,645,510</u>
Total unspent grants (refer note 5.1 intended allocations)	<u>7,510,467</u>	<u>5,953,534</u>

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

3.5 Contributions

Monetary	377,350	264,508
Non-monetary	44,612	475,683
Total contributions	<u>421,962</u>	<u>740,191</u>

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

Library Books	7,062	2,955
Buildings	-	220,000
Artworks	37,550	-
Plant and equipment	-	252,728
Total non-monetary contributions	<u>44,612</u>	<u>475,683</u>

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

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

Proceeds of sale	329,367	1,180,290
Written down value of assets disposed	(138,769)	(175,646)
Total net gain on disposal of property, infrastructure, plant and equipment	<u>190,598</u>	<u>1,004,644</u>

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	732,406	853,635
Reimbursements	549,635	461,758
Tower Hill land sales	1,504,546	1,087,273
Less - Tower Hill costs of goods sold	(29,076)	(24,629)
Revenue from volunteer services (refer Note 4.2)	375,058	-
Other	215,385	258,588
Total other income	<u>3,347,954</u>	<u>2,636,625</u>

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.

**Notes to the Financial Report
For the Year Ended 30 June 2020**

Note 4 The cost of delivering services	2020	2019
4.1 (a) Employee costs	\$	\$
Wages and salaries	15,232,820	15,440,504
WorkCover	427,950	407,707
Agency staff	864,259	665,688
Long service leave	476,677	657,937
Staff training	150,899	179,382
Superannuation	1,718,809	1,685,142
Fringe benefits tax	57,580	59,504
Other	124,007	98,819
Total employee costs	19,053,001	19,194,683
(b) Superannuation		
Council made contributions to the following funds:		
Defined benefit fund		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	173,591	174,985
	173,591	174,985
Employer contributions payable at reporting date.	-	-
Accumulation funds		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	1,501,385	1,421,610
	1,501,385	1,421,610
Employer contributions payable at reporting date.	-	-
Refer to note 9.3 for further information relating to Council's superannuation obligations.		
4.2 Materials and services		
Contract payments	7,132,733	5,802,525
Community grants sponsorship and contributions	3,128,044	1,242,166
Building maintenance	799,041	794,787
General maintenance	2,201,479	1,911,679
Utilities	1,356,678	1,561,798
Office administration	597,105	817,089
Information technology	502,754	642,198
Insurance	746,431	673,426
Consultants	560,742	494,426
Volunteer services - cost of service (refer note 3.7)	375,058	-
Other materials and services	1,086,376	1,196,770
Total materials and services	18,486,441	15,136,864
4.3 Depreciation		
Property	784,761	760,499
Plant and equipment	1,324,299	1,338,027
Infrastructure	7,075,555	6,204,993
Culture and heritage assets	235,603	231,190
Total depreciation	9,420,218	8,534,709
Refer to note 6.1 for a more detailed breakdown of depreciation and amortisation charges and accounting policy.		
4.4 Amortisation - Right of use assets		
Property	366,666	-
Total Amortisation - Right of use assets	366,666	-

**Notes to the Financial Report
For the Year Ended 30 June 2020**

4.5 Bad and doubtful debts	2020	2019
	\$	\$
Parking fine debtors	32,243	53,023
Rates debtors	17,050	(2,816)
Other debtors	355	865
Total bad and doubtful debts	49,648	51,072

Movement in provisions for doubtful debts

Balance at the beginning of the year	240,745	200,172
New provisions recognised during the year	74,066	75,912
Amounts already provided for and written off as uncollectible	(14,106)	(10,499)
Amounts provided for but recovered during the year	(24,418)	(24,840)
Balance at end of year	<u>276,287</u>	<u>240,745</u>

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.

- Historical rate has been used in the calculations for the rates and other debtor categories.

- A forward looking adjustment rate has been used for parking and infringement debtors. This rate factors the likely collection of continually ageing debtors.

4.6 Borrowing costs

Interest - Borrowings	342,436	326,443
Total borrowing costs	342,436	326,443

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	31,732	6,012
Total finance costs	31,732	6,012

4.8 Other expenses

Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	55,800	54,300
Auditors' remuneration - Internal	25,295	24,848
Councillors' allowances	248,835	236,700
Operating lease rentals	23,373	372,087
Assets write-offs and adjustments	303,758	513,562
Vehicle registrations	84,775	79,836
Bank Charges	52,604	52,368
Legal Costs	120,691	62,850
Fire Services Levy	64,059	60,916
Others	55,510	56,715
Total other expenses	1,034,700	1,514,182

Note 5 Our financial position

5.1 Financial assets

(a) Cash and cash equivalents

Cash on hand	11,795	11,795
Cash at bank	5,305,174	2,941,942
Term deposits	6,064,000	5,036,174
Total cash and cash equivalents	11,380,969	7,989,911

(b) Other financial assets

Term deposits - current	26,328,818	21,589,437
Total other financial assets	26,328,818	21,589,437
Total financial assets	37,709,787	29,579,348

**Notes to the Financial Report
For the Year Ended 30 June 2020**

Councils cash and cash equivalents are subject to external restrictions that limit amounts available for discretionary use. These include:

	2020 \$	2019 \$
- Trust funds and deposits (Note 5.3)	291,990	238,715
Total restricted funds	291,990	238,715
Total unrestricted cash and cash equivalents	11,088,979	7,751,196

Intended allocations

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

- unspent conditional grants received (Note 3.4(c))	7,510,467	5,953,534
- cash held to fund carried forward capital works	4,773,200	4,224,515
Total funds subject to intended allocations	12,283,667	10,178,049

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.

**Notes to the Financial Report
For the Year Ended 30 June 2020**

Councils cash and cash equivalents are subject to external restrictions that limit amounts available for discretionary use. These include:

	2020	2019
	\$	\$
- Trust funds and deposits (Note 5.3)	291,990	238,715
Total restricted funds	291,990	238,715
Total unrestricted cash and cash equivalents	11,088,979	7,751,196

Intended allocations

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

- unspent conditional grants received	7,510,467	5,953,534
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Total funds subject to intended allocations	12,283,667	10,178,049

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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.

(c) Trade and other receivables

Current

Rates debtors	1,701,908	1,233,077
Provision for doubtful debts - rates debtors	(43,389)	(26,339)
Private scheme debtors	3,537	9,834
Net GST receivables	299,942	685,184
Infringement debtors	251,719	216,484
Provision for doubtful debts - infringements	(227,609)	(205,947)
<i>Non statutory receivables</i>		
Loans and advances to community organisations	22,200	-
Other debtors	1,605,821	749,298
Provision for doubtful debts - other debtors	(5,289)	(8,459)
Total current trade and other receivables	<u>3,608,840</u>	<u>2,653,132</u>

Non-current

Non statutory receivables

Loans and advances to community organisations	25,788	51,911
Private scheme debtors	1,278	8,939
Total non-current trade and other receivables	<u>27,066</u>	<u>60,850</u>
Total trade and other receivables	<u>3,635,906</u>	<u>2,713,982</u>

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

(d) Ageing of Receivables

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

Current (not yet due)	1,331,986	131,523
Past due between 31 and 180 days	193,737	533,476
Past due between 181 and 365 days	5,765	44,095
Past due by more than 1 year	96,533	40,202
Total trade and other receivables	<u>1,628,021</u>	<u>749,296</u>

(e) Ageing of individually impaired Receivables

At balance date, other debtors representing financial assets with a nominal value of \$5,289 (2019: \$8,459) were impaired. The amount of the provision raised against these debtors was \$5,289 (2019: \$8,459). 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.

The ageing of receivables that have been individually determined as impaired at reporting date was:

Past due between 31 and 180 days	-	3,867
Past due between 181 and 365 days	-	1,844
Past due by more than 1 year	5,289	2,748
Total trade & other receivables	<u>5,289</u>	<u>8,459</u>

**Notes to the Financial Report
For the Year Ended 30 June 2020**

5.2 Non-financial assets	2020	2019
(a) Inventories	\$	\$
Inventories held for distribution	30,543	30,543
Inventories held for sale	40,790	41,412
Tower Hill Estate	100,296	89,603
Total inventories	171,629	161,558

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.

(b) Other assets

Curent		
Prepayments	98,528	139,244
Accrued income	155,155	249,771
Total current other assets	253,683	389,015

Non-curent

Other	50,000	50,000
Total non-current other assets	50,000	50,000

(c) Intangible assets

Water rights	3,072,000	2,764,800
Total intangible assets	3,072,000	2,764,800

Water Rights

\$

Gross carrying amount

Balance at 1 July 2019	2,764,800
Asset revaluations	307,200
Balance at 1 July 2020	3,072,000

9.1(a)

Net book value at 30 June 2019	2,764,800
Net book value at 30 June 2020	3,072,000

Water rights are valued at current market rates. The valuation is based on market transactions being the trading of water shares within the relevant water trading region. Prices are sourced from the Victorian Water Register for water traded within trading zone 7 VIC Murray - Barmah to SA.

5.3 Payables	2020	2019
(a) Trade and other payables	\$	\$
Trade payables	431,076	201,321
Salaries and wages	779,023	828,923
Accrued expenses	1,291,091	1,707,139
Total trade and other payables	2,501,190	2,737,383

(b) Trust funds and deposits

Refundable deposits	89,019	82,177
Fire services levy	5,172	1,333
Retention amounts	197,799	155,205
Total trust funds and deposits	291,990	238,715

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.

**Notes to the Financial Report
For the Year Ended 30 June 2020**

Purpose and nature of items

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

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

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

	2020	2019
(c) Unearned income	\$	\$
Grants received in advance - operating	509,991	-
Grants received in advance - capital	1,700,137	-
Other	11,815	-
Total unearned income	2,221,943	-

5.4 Interest-bearing liabilities

Current

Borrowings - secured	557,219	481,922
	557,219	481,922

Non-current

Borrowings - secured	7,293,919	7,358,930
	7,293,919	7,358,930
Total	7,851,138	7,840,852

Borrowings are secured by Swan Hill Rural City Council General Rates

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

Not later than one year	557,219	481,922
Later than one year and not later than five years	6,048,836	5,930,049
Later than five years	1,245,083	1,428,881
	7,851,138	7,840,852

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.

**Notes to the Financial Report
For the Year Ended 30 June 2020**

5.5 Provisions

	Annual leave	Long service leave	Landfill restoration	Other	Total
	\$	\$	\$	\$	\$
2020					
Balance at beginning of the financial year	1,328,696	3,841,487	1,213,407	118,425	6,502,015
Additional provisions	1,239,602	411,308	273,252	-	1,924,162
Amounts used	(1,108,378)	(288,914)	-	(118,425)	(1,515,717)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	2,458	(64,786)	(34,444)	-	(96,772)
Balance at the end of the financial year	1,462,378	3,899,095	1,452,215	-	6,813,688

2019

Balance at beginning of the financial year	1,332,138	3,716,453	1,190,900	-	6,239,491
Additional provisions	1,128,835	380,780	(535)	118,425	1,627,505
Amounts used	(1,133,752)	(283,857)	-	-	(1,417,609)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	1,475	28,111	23,042	-	52,628
Balance at the end of the financial year	1,328,696	3,841,487	1,213,407	118,425	6,502,015

	2020	2019
	\$	\$
(a) Employee provisions		
Current provisions expected to be wholly settled within 12 months		
Annual leave	1,164,846	1,106,403
Long service leave	179,884	211,866
	<u>1,344,730</u>	<u>1,318,269</u>
Current provisions expected to be wholly settled after 12 months		
Annual leave	297,532	222,293
Long service leave	3,483,551	3,415,813
	<u>3,781,083</u>	<u>3,638,106</u>
Total current employee provisions	<u>5,125,813</u>	<u>4,956,375</u>
Non-current		
Long service leave	235,660	213,808
Total non-current employee provisions	<u>235,660</u>	<u>213,808</u>
Aggregate carrying amount of employee provisions:		
Current	5,125,813	4,956,375
Non-current	235,660	213,808
Total aggregate carrying amount of employee provisions	<u>5,361,473</u>	<u>5,170,183</u>

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

Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits and annual 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.

**Notes to the Financial Report
For the Year Ended 30 June 2020**

	2020	2019
	\$	\$
(b) Landfill restoration		
Current	67,198	55,274
Non-current	1,385,017	1,158,133
	<u>1,452,215</u>	<u>1,213,407</u>

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

Key assumptions:

- discount rate	0.991% - 0.997%	0.96% - 1.03%
- index rate	-0.30%	1.30%

(c) Other provisions

Current	-	118,425
	<u>-</u>	<u>118,425</u>

Total Provisions

Current	5,193,011	5,130,074
Non Current	1,620,677	1,371,941
	<u>6,813,688</u>	<u>6,502,015</u>

Key assumptions:

- discount rate	0.25% - 0.26%	0.96% - 1.03%
- index rate	-0.30%	1.30%

5.6 Financing arrangements

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

Credit card facilities	200,000	200,000
Loans and borrowings	7,851,138	7,840,852
Total facilities	<u>8,051,138</u>	<u>8,040,852</u>
Used facilities	7,866,138	7,861,678
Unused facilities	<u>185,000</u>	<u>179,174</u>

**Notes to the Financial Report
For the Year Ended 30 June 2020**

5.7 Commitments

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

	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
	\$	\$	\$	\$	\$
2020					
Operating					
Building and property maintenance	124,832	-	-	-	124,832
Cleaning - council buildings, public toilets, barbeques	1,909,887	-	-	-	1,909,887
Licenses	68,787	-	-	-	68,787
Materials and supplies	330,522	-	-	-	330,522
Office equipment leases	196,661	-	-	-	196,661
Professional services	1,691,759	-	-	-	1,691,759
Management & operations of the PS Pyap	53,405	-	-	-	53,405
Recreation, leisure and community facilities	738,083	-	-	-	738,083
Uniforms	13,214	8,964	-	-	22,178
Waste management operation and kerbside collection	2,342,582	48,000	36,000	-	2,426,582
Total	7,469,732	56,964	36,000	-	7,562,696
Capital					
Buildings	265,954	-	-	-	265,954
Drainage	30,597	-	-	-	30,597
Footpaths	1,004,483	-	-	-	1,004,483
Parks and open spaces	62,453	-	-	-	62,453
Recreation and leisure assets	623,728	-	-	-	623,728
Sealed roads	4,450,406	1,976,055	823,356	-	7,249,817
Total	6,437,621	1,976,055	823,356	-	9,237,032
2019					
Operating					
Building and property maintenance	642,353	438,572	-	-	1,080,925
Cleaning - council buildings, public toilets, barbeques	9,239	-	-	-	9,239
Materials and supplies	1,013,743	481,250	267,500	-	1,762,493
Office equipment leases	94,048	62,287	94,048	-	250,383
Professional services	465,468	-	-	-	465,468
Management & operations of the PS Pyap	185,000	190,550	196,300	-	571,850
Recreation, leisure and community facilities	1,086,311	1,135,024	7,500	-	2,228,835
Uniforms	15,215	-	-	-	15,215
Waste management operation and kerbside collection	1,731,005	1,672,851	77,028	-	3,480,884
Total	5,242,382	3,980,534	642,376	-	9,865,292
Capital					
Buildings	64,100	-	-	-	64,100
Drainage	247,151	-	-	-	247,151
Plant & equipment	591,211	-	-	-	591,211
Sealed roads	1,079,959	1,400,000	-	-	2,479,959
Parks and open spaces	263,160	-	-	-	263,160
Waste management	200,000	200,000	-	-	400,000
Other infrastructure	145,408	-	-	-	145,408
Cultural and heritage	48,975	-	-	-	48,975
Total	2,639,964	1,600,000	-	-	4,239,964

Notes to the Financial Report For the Year Ended 30 June 2020

5.8 Leases

Policy applicable before 1 July 2019

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

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

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

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

Policy applicable after 1 July 2019

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

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

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

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

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

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

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

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

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

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

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

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

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

Council has a number of Peppercorn Leases for parcels of crown land or land controlled by other entities. The leases of land are used to provide open space and recreation areas to residents along with a major tourist attraction to the area in the Pioneer Settlement.

Details of Peppercorn Leases held by Council are as follows:

Land Details	Remaining Term of Lease	\$ Per Annum
Crown Land - Pioneer Settlement	28 years	\$0
Lake Boga Boat Ramps and Jetty	5 years	\$1
Various parcels of VicTrack Land (parks & reserves)	Various terms	\$1 each

**Notes to the Financial Report
For the Year Ended 30 June 2020**

Right-of-Use Assets	Property
	\$
Balance at 1 July 2019	743,919
Additions	473,116
Amortisation charge	(366,666)
Balance at 30 June 2020	<u>850,369</u>

Lease Liabilities	2020
Maturity analysis - contractual undiscounted cash flows	\$
Less than one year	421,292
One to five years	441,208
More than five years	52,000
Total undiscounted lease liabilities as at 30 June:	<u>914,500</u>

Lease liabilities included in the Balance Sheet at 30 June:	
Current	427,132
Non-current	<u>485,015</u>
Total lease liabilities	<u>912,147</u>

Short-term and low value leases

Council has elected not to recognise right-of-use assets and lease liabilities for low-value assets (individual assets worth less than existing capitalisation thresholds for a like asset up to a maximum of \$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:	\$
Leases of low value assets	1,162
Total	<u>1,162</u>
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:

Payable:	
Within one year	1,162
Later than one year but not later than five years	3,969
Later than five years	2,415
Total lease commitments	<u>7,546</u>

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.

Notes to the Financial Report For the Year Ended 30 June 2020

Impact on financial statements

On transition to *AASB 16 Leases*, Council recognised an additional \$743,919 of right-of-use assets and \$743,919 of lease liabilities, recognising the difference in retained earnings.

When measuring lease liabilities, Council discounted lease payments using its incremental borrowing rate effective at the time the lease was entered into. The weighted-average rate applied is 4.91%.

	\$
Operating lease commitment at 30 June 2019 as disclosed in Council's financial statements	2,679,071
- Extension of lease option not reasonably certain to exercise	(1,905,399)
- Recognition exemption for:	
leases of low-value assets	(4,830)
- Discounted using the incremental borrowing rate at 1 July 2019	<u>(24,923)</u>
- Lease liabilities recognised as at 1 July 2019	<u>743,919</u>

**Notes to the Financial Report
For the Year Ended 30 June 2020**

Note 6 Assets we manage

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 \$	At Fair Value 30 June 2020 \$
Property	101,082,463	730,327	-	19,463,055	(784,761)	(47,211)	(994)	11,591	120,454,470
Plant and equipment	6,261,422	1,246,604	-	-	(1,324,298)	(136,469)	-	32,666	6,079,925
Infrastructure	340,323,319	8,061,546	-	11,649,686	(7,076,112)	-	(319,328)	690,727	353,329,838
Culture and heritage assets	9,792,382	145,548	44,612	(93,891)	(235,046)	-	-	(28,700)	9,624,905
Work in progress	1,261,382	719,064	-	-	-	-	(10,926)	(706,284)	1,263,236
	458,720,968	10,903,089	44,612	31,018,850	(9,420,217)	(183,680)	(331,248)	-	490,752,374

Summary of Work in Progress

	Opening WIP \$	Additions \$	Write-off \$	Transfers \$	Closing WIP \$
Property	141,484	393,872	-	-	535,356
Plant and equipment	32,666	71,407	-	(32,666)	71,407
Infrastructure	1,087,232	253,785	(10,926)	(673,618)	656,473
Total	1,261,382	719,064	(10,926)	(706,284)	1,263,236

**Notes to the Financial Report
For the Year Ended 30 June 2020**

(a) Property

	Land - specialised	Land - non specialised	Total Land	Buildings - specialised	Buildings - non specialised	Total Buildings	Total Property	Work in progress
	\$	\$	\$	\$	\$	\$	\$	\$
At fair value 1 July 2019	58,502,398	6,422,317	64,924,715	102,528,385	4,284,580	106,812,965	171,737,680	141,484
Accumulated depreciation at 1 July 2019	-	-	-	(70,458,256)	(196,961)	(70,655,217)	(70,655,217)	-
	58,502,398	6,422,317	64,924,715	32,070,129	4,087,619	36,157,748	101,082,463	141,484
Movements in fair value								
Additions	8,000		8,000	687,883	34,444	722,327	730,327	393,872
Revaluation	5,988,253	44,183	6,032,436	1,048,665	9,997	1,058,662	7,091,098	-
Disposal	-	(47,211)	(47,211)	-	-	-	(47,211)	-
Write-off	-	-	-	(408,574)	-	(408,574)	(408,574)	-
Transfers	(354)	354	-	48,492	-	48,492	48,492	-
	5,995,899	(2,674)	5,993,225	1,376,466	44,441	1,420,907	7,414,132	393,872
Movements in accumulated depreciation								
Depreciation and amortisation	-	-	-	(707,070)	(77,691)	(784,761)	(784,761)	-
Accumulated depreciation of write offs	-	-	-	407,580	-	407,580	407,580	-
Revaluation	-	-	-	12,176,862	195,095	12,371,957	12,371,957	-
Transfers	-	-	-	(36,901)	-	(36,901)	(36,901)	-
	-	-	-	11,840,471	117,404	11,957,875	11,957,875	-
At fair value 30 June 2020	64,498,297	6,419,643	70,917,940	103,904,851	4,329,021	108,233,872	179,151,812	535,356
Accumulated depreciation at 30 June 2020	-	-	-	(58,617,785)	(79,557)	(58,697,342)	(58,697,342)	-
	64,498,297	6,419,643	70,917,940	45,287,066	4,249,464	49,536,530	120,454,470	535,356

**Notes to the Financial Report
For the Year Ended 30 June 2020**

(b) Plant and Equipment

	Plant machinery and equipment	Fixtures fittings and furniture	Computers and telecomms	Total plant and equipment	Work in progress
	\$	\$	\$	\$	\$
At fair value 1 July 2019	11,722,463	4,225,428	1,294,188	17,242,079	32,666
Accumulated depreciation at 1 July 2019	(7,755,852)	(2,132,880)	(1,091,925)	(10,980,657)	-
	3,966,611	2,092,548	202,263	6,261,422	32,666
Movements in fair value					
Additions	1,084,277	27,372	134,955	1,246,604	71,407
Disposal	(977,427)	(7,935)	(126,772)	(1,112,134)	-
Transfers	32,666	-	-	32,666	(32,666)
	139,516	19,437	8,183	167,136	38,741
Movements in accumulated depreciation					
Depreciation and amortisation	(873,280)	(350,032)	(100,986)	(1,324,298)	-
Accumulated depreciation of disposals	840,958	7,935	126,772	975,665	-
	(32,322)	(342,097)	25,786	(348,633)	-
At fair value 30 June 2020	11,861,979	4,244,865	1,302,371	17,409,215	71,407
Accumulated depreciation at 30 June 2020	(7,788,174)	(2,474,977)	(1,066,139)	(11,329,290)	-
	4,073,805	1,769,888	236,232	6,079,925	71,407

**Notes to the Financial Report
For the Year Ended 30 June 2020**

(c) Infrastructure

	Sealed roads	Unsealed roads	Footpaths and cycleways	Drainage	Recreational, leisure and community	Waste Management	Parks open spaces and streetscapes	Other Infrastructure	Total Infrastructure	Work In Progress
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
At fair value 1 July 2019	254,766,276	101,742,138	30,438,144	59,813,599	12,828,626	6,097,092	10,096,626	11,900,012	487,682,513	1,087,232
Accumulated depreciation at 1 July 2019	(81,598,567)	(9,254,188)	(9,551,715)	(24,921,884)	(6,570,040)	(5,447,362)	(6,810,925)	(3,204,513)	(147,359,194)	-
	173,167,709	92,487,950	20,886,429	34,891,715	6,258,586	649,730	3,285,701	8,695,499	340,323,319	1,087,232
Movements in fair value										
Additions	5,103,626	1,055,230	368,450	95,697	71,000	-	1,161,212	206,331	8,061,546	253,785
Revaluation	-	-	-	(3,783,012)	4,414,733	-	971,600	1,487,967	3,091,288	-
Write-off	-	-	-	(30,416)	(236,145)	-	(163,134)	(289,435)	(719,130)	(10,926)
Transfers	(3,889,187)	26,838	134,683	38,291	1,950	-	117,110	128,378	(3,441,937)	(673,618)
	1,214,439	1,082,068	503,133	(3,679,440)	4,251,538	-	2,086,788	1,533,241	6,991,767	(430,759)
Movements in accumulated depreciation										
Depreciation and amortisation	(3,337,640)	(1,327,710)	(370,066)	(826,383)	(319,309)	(230,584)	(400,910)	(263,510)	(7,076,112)	-
Accumulated depreciation of write-off	-	-	-	3,362	168,995	-	62,343	165,102	399,802	-
Revaluation	-	-	-	5,858,326	1,047,529	-	1,859,285	(206,742)	8,558,398	-
Transfers	4,097,063	-	-	-	-	-	36,901	(1,300)	4,132,664	-
	759,423	(1,327,710)	(370,066)	5,035,305	897,215	(230,584)	1,557,619	(306,450)	6,014,752	-
At fair value 30 June 2020	255,980,715	102,824,206	30,941,277	56,134,159	17,080,164	6,097,092	12,183,414	13,433,253	494,674,280	656,473
Accumulated depreciation at 30 June 2020	(80,839,144)	(10,581,898)	(9,921,781)	(19,886,579)	(5,672,825)	(5,677,946)	(5,253,306)	(3,510,963)	(141,344,442)	-
	175,141,571	92,242,308	21,019,496	36,247,580	11,407,339	419,146	6,930,108	9,922,290	353,329,838	656,473

**Notes to the Financial Report
For the Year Ended 30 June 2020**

(d) Culture and heritage assets

	Artworks	Library Collection	Pioneer Settlement vehicles & vessels	Pioneer Settlement site exhibits	Pioneer Settlement buildings	Total Culture and heritage assets
	\$	\$	\$	\$	\$	\$
At fair value 1 July 2019	1,725,150	1,968,700	4,818,116	2,082,360	7,186,637	17,780,963
Accumulated depreciation at 1 July 2019	(17,231)	(1,342,196)	(148,519)	(69,423)	(6,411,212)	(7,988,581)
	1,707,919	626,504	4,669,597	2,012,937	775,425	9,792,382
Movements in fair value						
Additions	5,209	140,339	-	-	-	145,548
Contributions	37,550	7,062	-	-	-	44,612
Revaluation	-	-	-	-	627,362	627,362
Disposal	-	(75,890)	-	-	-	(75,890)
Transfers	-	-	-	(30,000)	-	(30,000)
	42,759	71,511	-	(30,000)	627,362	711,632
Movements in accumulated depreciation						
Depreciation and amortisation	(17,260)	(121,711)	(48,245)	(20,829)	(27,001)	(235,046)
Accumulated depreciation of disposals	-	75,890	-	-	-	75,890
Revaluation	-	-	-	-	(721,253)	(721,253)
Transfers	-	-	-	1,300	-	1,300
	(17,260)	(45,821)	(48,245)	(19,529)	(748,254)	(879,109)
At fair value 30 June 2020	1,767,909	2,040,211	4,818,116	2,052,360	7,813,999	18,492,595
Accumulated depreciation at 30 June 2020	(34,491)	(1,388,017)	(196,764)	(88,952)	(7,159,466)	(8,867,690)
	1,733,418	652,194	4,621,352	1,963,408	654,533	9,624,905

**Notes to the Financial Report
For the Year Ended 30 June 2020**

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	Threshold Limit \$
<i>Asset recognition thresholds and depreciation periods</i>		
Land & land improvements		
land	-	1
land under roads	-	1
Buildings		
buildings	30 to 100 years	10,000
building improvements	30 to 100 years	10,000
leasehold improvements	5 to 15 years	10,000
Plant and equipment		
plant machinery and equipment		
large plant	10 years	2,500
small plant	2 to 4 years	2,500
fixtures, fittings and furniture	5 years	2,500
computers and telecommunications	3 to 5 years	1,500
Infrastructure		
sealed road formation	-	10,000
sealed road pavements	60 years	10,000
sealed road seals	15 to 20 years	10,000
road ancillary assets	20 to 25 years	10,000
unsealed road natural surface	-	10,000
unsealed road gravel surface	30 years	10,000
kerb and channel	25 to 50 years	10,000
footpaths and cycleways	20 to 50 years	10,000
drainage	20 to 80 years	10,000
recreation, leisure and community facilities	10 to 60 years	10,000
waste management	10 years	10,000
parks, open space and streetscapes	10 to 100 years	10,000
other infrastructure	10 to 100 years	10,000
Cultural and heritage		
artworks	100 years	1
library books	5 to 100 years	1
Pioneer Settlement		
- vehicles and vessels	100 years	5,000
- site exhibits	100 years	5,000
- buildings	100 years	10,000

Land under roads

Council recognises land under roads it controls at fair value.

Notes to the Financial Report For the Year Ended 30 June 2020

Depreciation and amortisation

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

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

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

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

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

Repairs and maintenance

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

Leasehold improvements

Leasehold improvements are recognised at cost and are amortised over the unexpired period of the lease or the estimated useful life of the improvement, whichever is the shorter. At balance date, leasehold improvements are amortised over a 5 to 15 year period.

Valuation of land and buildings

Valuation of land and buildings were undertaken by a qualified independent valuer Benjamin Sawyer AAPI Reg. 63163. The valuation of land and buildings is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Where land use is restricted through existing planning provisions the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

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

Any significant movements in the unobservable inputs for land and land under roads will have a significant impact on the fair value of these assets.

The land and buildings were subject to full independent valuation in 2020 by our accredited independent valuer. Council does not believe there has been a material movement in fair value since the 30 June 2020 valuation date.

The valuation was performed during the COVID-19 pandemic, with limited market activity and low sales volumes. While the valuer's independent valuation report did not indicate impairment of land and buildings, it does present estimation uncertainty regarding the valuation of land and buildings by acknowledging that past cycles indicate a lag for property markets to react to economic events, and that the extent of any decline in value is presently uncertain, and may depend on the length of the COVID-19 pandemic. Also, there is not yet any comparable market evidence available to determine what, if any, impact the current COVID-19 pandemic may have on the value or marketability of the subject property, particularly in the short and medium terms.

The fair value assessed may change significantly and unexpectedly over a relatively short period of time (including as a result of factors that the valuer could not reasonably have been aware of as at the date of valuation). Refer to Significant accounting policies under Overview section and Note 8.4 for further information on fair value measurement.

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	Level2	Level 3	Date of Valuation
Land	-	6,419,643	-	June 2020
Specialised land	-	-	64,498,297	June 2020
Buildings	-	4,249,464	-	June 2020
Buildings - specialised	-	-	45,287,066	June 2020
Total	-	10,669,107	109,785,363	

Notes to the Financial Report For the Year Ended 30 June 2020

Valuation of infrastructure

Valuation of infrastructure assets has been determined in accordance by applying the most recent unit rates as calculated from a sample of internal and external projects.

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

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

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

	Level 1	Level2	Level 3	Date of Valuation
Sealed roads	-	-	175,141,571	June 2019
Unsealed roads	-	-	92,242,308	June 2017
Footpaths and cycleways	-	-	21,019,496	June 2019
Drainage	-	-	36,247,580	June 2020
Recreational, leisure and community facilities	-	-	11,407,339	June 2020
Waste management	-	-	419,146	June 2015
Parks, open space and streetscapes	-	-	6,930,108	June 2020
Other infrastructure	-	-	9,922,290	June 2020
Total	-	-	353,329,838	

Valuation of cultural and heritage assets

Artworks

Valuation of artwork assets has been determined in accordance with an independent valuation undertaken by Warren Joel Auction and Valuation Services. The effective date of the valuation was 30 June 2018.

Valuation of the assets was determined by analysing comparable sales of an artist's work, knowledge of the collections history and condition of the collection.

Pioneer Settlement

Valuation of Pioneer Settlement vehicles and vessels and site exhibit assets was conducted by qualified independent valuer Mr David Freeman, member of Auctioneers and Valuers Association of Australia, and Chief Executive Officer of Amanda Adams Auctions, Bulleen, Victoria. The valuation is based on average market realisation prices that should be obtained if the items were sold via private treaty or auction sales. The effective date of the valuation is 30 June 2016.

Valuation of Pioneer Settlement buildings were undertaken by qualified independent valuer, Benjamin Sawyer AAPI Reg. 63163 as at 30 June 2020. The valuation is at fair value based on replacement cost less accumulated depreciation as at the date of valuation.

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

	Level 1	Level 2	Level 3	Date of Valuation
Artworks	-	-	1,733,418	April 2018
Pioneer Settlement vehicles and vessels	-	-	4,621,352	June 2016
Pioneer Settlement site exhibits	-	-	1,963,408	June 2016
Pioneer Settlement buildings	-	-	654,533	June 2018
Total	-	-	8,972,711	

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 25% and 75% for specialised land and between 85% and 95% for land under roads. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values range between \$0.10 and \$450 per square metre.

**Notes to the Financial Report
For the Year Ended 30 June 2020**

Specialised buildings are valued using a depreciated replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs are calculated on a square metre basis. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 10 years to 100 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.

Infrastructure assets are valued based on the depreciated replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives of infrastructure. The remaining useful lives of infrastructure assets are determined on the basis of the current condition of the asset and vary from 0 years to 100 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.

Artwork assets are valued based on the market based direct comparison approach. Significant unobservable inputs include the rarity of the item, historical significance and the history of the artist. If there are events that determine certain pieces of the collection to be of historical significance, if the artist has works that have increased in popularity or the item is considered to be rare and in demand, this would result in a higher fair value.

Pioneer Settlement vehicles and vessels and site exhibit assets are valued based on the market based direct comparison approach. Significant unobservable inputs include the rarity of the item and historical significance. If there are events that determine certain pieces of the collection to be of historical significance or the item is considered to be rare and in demand, this would result in a higher fair value.

Pioneer Settlement buildings are valued using a depreciated replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement cost is calculated on a square metre basis. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 1 year to 54 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 their useful lives.

	2020	2019
	\$	\$
Reconciliation of specialised land		
Land under roads	42,311,977	37,473,698
Parks and reserves	14,080,520	13,202,600
Crown Land	8,105,800	7,826,100
Total specialised land	64,498,297	58,504,417

**Notes to the Financial Report
For the Year Ended 30 June 2020**

	2020 No.	2019 No.
Note 7 People and relationships		
7.1 Council and key management remuneration		
(a) Related Parties		
<i>Parent entity</i>		
Swan Hill Rural City Council is a single entity.		
<i>Subsidiaries and Associates</i>		
Council has no interests in subsidiaries and 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		
Mayor Bill Moar	15/11/2016 to 30/06/2020	
Cr Ann Young	15/11/2016 to 30/06/2020	
Cr Les McPhee	08/12/2008 to 30/06/2020	
Cr Chris Jeffery	15/11/2016 to 30/06/2020	
Cr Lea Johnson	15/11/2016 to 30/06/2020	
Cr Jade Benham	19/03/2019 to 30/06/2020	
Cr Nicole McKay	16/04/2019 to 30/06/2020	
Chief Executive Officer	Mr John McLinden	21/03/2016 to 30/06/2020
Directors		
Mr David Lenton (Corporate Services)	21/12/1992 to 30/06/2020	
Mr Bruce Myers (Community and Cultural Services)	28/02/1994 to 30/06/2020	
Ms Heather Green (Planning and Development)	03/07/2017 to 30/06/2020	
Ms Svetla Petkova (Infrastructure)	11/12/2017 to 30/06/2020	
Total Number of Councillors	7	9
Total of Chief Executive Officer and other Key Management Personnel	5	5
Total Number of Key Management Personnel	12	14
(c) Remuneration of Key Management Personnel	2020	2019
	\$	\$
Total remuneration of key management personnel was as follows:		
Short-term benefits	1,199,288	1,158,541
Long-term benefits	87,892	35,697
Post employment benefits	96,610	167,369
Termination benefits	-	-
Total	1,383,790	1,361,607
The numbers of key management personnel whose total remuneration from Council and any related entities, fall within the following bands:		
	2020 No.	2019 No.
\$0 - \$9,999	-	2
\$10,000 - \$19,999	-	1
\$20,000 - \$29,999	4	4
\$30,000 - \$39,999	2	-
\$40,000 - \$49,999	-	1
\$50,000 - \$59,999	1	1
\$180,000 - \$189,999	-	1
\$200,000 - \$209,999	1	1
\$210,000 - \$219,999	2	1
\$230,000 - \$239,999	1	1
\$280,000 - \$289,999	1	1
	12	14

**Notes to the Financial Report
For the Year Ended 30 June 2020**

(d) Senior Officer Remuneration

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

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

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

Income Range:	2020 No.	2019 No.
\$145,000 - \$149,999	-	1
\$150,000 - \$159,999	3	5
\$160,000 - \$169,999	2	3
\$170,000 - \$179,999	2	-
	<u>7</u>	<u>9</u>

Total Remuneration for the reporting year for Senior Officers included above, amounted to:	1,143,708	1,422,183
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7.2 Related party disclosure	2020 \$	2019 \$
(a) Transactions with related parties		
During the period Council entered into the following transactions with related parties.		
	-	-
(b) Outstanding balances with related parties		
The following balances are outstanding at the end of the reporting period in relation to transactions with related parties.		
	-	-
(c) Loans to/from related parties		
The aggregate amount of loans in existence at balance date that have been made, guaranteed or secured by the council to a related party as follows:		
	-	-
(d) Commitments to/from related parties		
The aggregate amount of commitments in existence at balance date that have been made, guaranteed or secured by the council to a related party as follows:		
	-	-

Notes to the Financial Report For the Year Ended 30 June 2020

Note 8 Managing uncertainties

8.1 Contingent assets and liabilities

(a) Contingent assets

Council has no contingent assets at balance date (2019, \$0)

Operating lease receivables

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.

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

	2020	2019
	\$	\$
Not later than one year	384,930	402,344
Later than one year and not later than five years	1,253,618	1,315,336
Later than five years	627,770	885,562
	<u>2,266,318</u>	<u>2,603,242</u>

(b) Contingent liabilities

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

Superannuation

Council has obligations under a defined benefit superannuation scheme that may result in the need to make additional contributions to the scheme, matters relating to this potential obligation are outlined below. As a result of the volatility in financial markets the likelihood of making such contributions in future periods exists.

Future superannuation contributions

In addition to the disclosed contributions, Council has paid unfunded liability payments to Vision Super totalling \$0 (2018/19 \$0). There were no contributions outstanding and no loans issued from or to the above schemes as at 30 June 2020. The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2021 are \$137,876.

Landfill

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

Liability Mutual Insurance

Council is a participant of the MAV Liability Mutual Insurance (LMI) Scheme. The LMI scheme provides public liability and professional indemnity insurance cover. The LMI scheme states that each participant will remain liable to make further contributions to the scheme in respect of any insurance year in which it was a participant to the extent of its participant's share of any shortfall in the provision set aside in respect of that insurance year, and such liability will continue whether or not the participant remains a participant in future insurance years.

MAV WorkCare

Council is a participant of the MAV WorkCare Scheme. The MAV WorkCare scheme provides workers compensation insurance. The MAV WorkCare Scheme states that each participant will remain liable to make further contributions to the scheme in respect of any insurance year in which it was a participant to the extent of its participant's share of any shortfall in the provision set aside in respect of that insurance year, and such liability will continue whether or not the participant remains a participant in future insurance years.

(c) Guarantees for loans to other entities

Council is not the guarantor for any loans.

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.

Notes to the Financial Report For the Year Ended 30 June 2020

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

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

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

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

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

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

Notes to the Financial Report For the Year Ended 30 June 2020

8.3 Financial instruments

(a) Objectives and policies

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

(b) Market risk

Market risk is the risk that the fair value or future cash flows of council financial instruments will fluctuate because of changes in market prices. The Council's exposure to market risk is primarily through interest rate risk with only insignificant exposure to other price risks and no exposure to foreign currency risk.

Interest rate risk

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

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

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

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

Interest rate movements have not been sufficiently significant during the year to have an impact on the Council's year end result.

(c) Credit risk

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause Council to make a financial loss. Council have exposure to credit risk on some financial assets included in the balance sheet. Particularly significant areas of credit risk exist in relation to outstanding fees and fines as well as loans and receivables from sporting clubs and associations. To help manage this risk:

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

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

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

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

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

**Notes to the Financial Report
For the Year Ended 30 June 2020**

(d) Liquidity risk

Liquidity risk includes the risk that, as a result of council's operational liquidity requirements it will not have sufficient funds to settle a transaction when required or will be forced to sell a financial asset at below value or may be unable to settle or recover a financial asset.

To help reduce these risks Council:

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

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

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

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

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

(e) Sensitivity disclosure analysis

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

- A parallel shift of + 0.50% and -0.25% in market interest rates (AUD) from year-end rates of 0.25%.

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.

Notes to the Financial Report For the Year Ended 30 June 2020

8.4 Fair value measurement

Fair value hierarchy

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

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

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

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

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

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

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

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

Revaluation

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

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

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

Impairment of assets

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

8.5 Events occurring after balance date

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

**Notes to the Financial Report
For the Year Ended 30 June 2020**

Note 9 Other matters

	Balance at beginning of reporting period \$	Increment (decrement) \$	Balance at end of reporting period \$
9.1 Reserves			
(a) Asset revaluation reserves			
2020			
Property			
Land and land improvements	19,382,229	6,032,435	25,414,664
Buildings	15,889,738	13,430,619	29,320,357
	35,271,967	19,463,054	54,735,021
Infrastructure			
Sealed roads	83,560,866	-	83,560,866
Unsealed roads	15,975,607	-	15,975,607
Footpath and cycleways	15,282,543	-	15,282,543
Drainage	15,647,453	2,075,314	17,722,767
Recreation leisure and community facilities	1,912,153	5,462,263	7,374,416
Parks open spaces and streetscapes	-	2,830,885	2,830,885
Other infrastructure	1,923,169	1,281,224	3,204,393
	134,301,791	11,649,686	145,951,477
Culture and heritage assets			
Artworks	1,634,596	-	1,634,596
Pioneer Settlement	5,336,281	(93,891)	5,242,390
	6,970,877	(93,891)	6,876,986
Water rights	2,122,044	307,200	2,429,244
Total asset revaluation reserves	178,666,679	31,326,049	209,992,728
2019			
Property			
Land and land improvements	19,382,229	-	19,382,229
Buildings	15,889,738	-	15,889,738
	35,271,967	-	35,271,967
Infrastructure			
Sealed roads	83,065,693	495,173	83,560,866
Unsealed roads	15,975,607	-	15,975,607
Footpath and cycleways	8,792,891	6,489,652	15,282,543
Drainage	15,647,453	-	15,647,453
Recreation leisure and community facilities	1,912,153	-	1,912,153
Other infrastructure	1,923,169	-	1,923,169
	127,316,966	6,984,825	141,286,616
Culture and heritage assets			
Artworks	1,634,596	-	1,634,596
Pioneer Settlement	5,336,281	-	5,336,281
	6,970,877	-	6,970,877
Water rights	1,200,444	921,600	2,122,044
Total asset revaluation reserves	170,760,254	7,906,425	185,651,504

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

**Notes to the Financial Report
For the Year Ended 30 June 2020**

	2020	2019
	\$	\$
9.2 Reconciliation of cash flows from operating activities to surplus/(deficit)		
Surplus/(deficit) for the year	7,598,257	7,395,186
Depreciation/amortisation	9,786,884	8,534,709
Profit/(loss) on disposal of property, infrastructure, plant and equipment	(190,598)	(1,004,644)
Assets written off / asset adjustments	303,758	513,562
Contributions - Non-monetary assets	(44,612)	(475,683)
Reallocation of borrowing costs to financing activities	348,448	332,455
Works in progress expensed	10,926	-
Other	52,876	19,345
<i>Change in assets and liabilities:</i>		
(Increase)/decrease in trade and other receivables	(921,924)	(970,057)
(Increase)/decrease in other assets	187,830	313,248
Increase/(decrease) in trade and other payables	2,039,025	1,048,037
(Increase)/decrease in inventories	(10,071)	(67,177)
Increase/(decrease) in provisions	311,673	262,524
Net cash provided by/(used in) operating activities	19,472,472	15,901,505

9.3 Superannuation

Council makes all 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 Income Statement when they are made or due.

Accumulation

The Fund's accumulation categories receive both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2019, this was 9.5% as required under Superannuation Guarantee legislation. The 2018 Staff Enterprise Bargaining Agreement enables staff to elect to have an additional 1.0% (0.5%, 2019) in lieu of cash paid into their superannuation. This option commenced on 6 July 2019 and is applicable to the majority of staff.

Defined Benefit

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

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

Funding arrangements

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

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

As at 30 June 2019, an interim actuarial investigation was held as the Fund provides lifetime pensions in the Defined Benefit category. The vested benefit index (VBI) of the Defined Benefit category of which Council is a contributing employer was 107.1%. The financial assumptions used to calculate the VBIs were:

- Net investment returns 6.0% pa
- Salary information 3.5% pa
- Price inflation (CPI) 2.0% pa.

Vision Super has advised that the estimated VBI at 30 June 2020 was 104.6%.

The VBI is used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2019 actuarial investigation determined the Defined Benefit category was in a satisfactory financial position and that no change was necessary to the Defined Benefit category's funding arrangements from prior years.

Employer contributions

Regular contributions

On the basis of the results of the 2017 full actuarial investigation conducted by the Fund Actuary, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2020, this rate was 9.5% of members' salaries (9.5% in 2018/2019). This rate is expected to increase in line with any increases in the SG contribution rate and reviewed as part of the 30 June 2020 triennial valuation.

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

Notes to the Financial Report For the Year Ended 30 June 2020

Funding calls

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

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

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

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

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

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

The 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.

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

	2019	2017
	\$	\$
- 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 2020 VBI during August 2020 (2019: August 2019).

The 2020 triennial actuarial investigation

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

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

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

			2020	2019
Scheme	Type of Scheme	Rate	\$	\$
Vision super	Defined benefit	9.50%	173,591	174,985
Vision super	Accumulation fund	9.50%	1,501,385	1,421,610

**Notes to the Financial Report
For the Year Ended 30 June 2020**

10 Change in accounting policy

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

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

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

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

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

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

b) AASB 16 Leases

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

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

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

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

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

d) Transition impacts

The following table summarises the impact of transition to the new standards on retained earnings at 1 July 2019.

	2019 \$
Retained earnings at 30 June 2019	298,312,667
Revenue adjustment - impact of <i>AASB 15 Revenue from Contracts with Customers</i>	-
Income Adjustment - impact of <i>AASB 1058 Income of Not-for-Profit Entities</i>	-
Retained earnings at 1 July 2019	298,312,667

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.

	As reported 30 June 2019 \$	Adjustments \$	Post adoption \$
Assets			
Right of use assets	-	743,919	743,919
Grants receivable	-	-	-
	-	743,919	743,919
Liabilities			
Unearned income - operating grants	-	509,991	509,991
Unearned income - capital grants	-	1,700,137	1,700,137
Lease liability - current	-	417,429	417,429
Lease liability - non-current	-	326,490	326,490