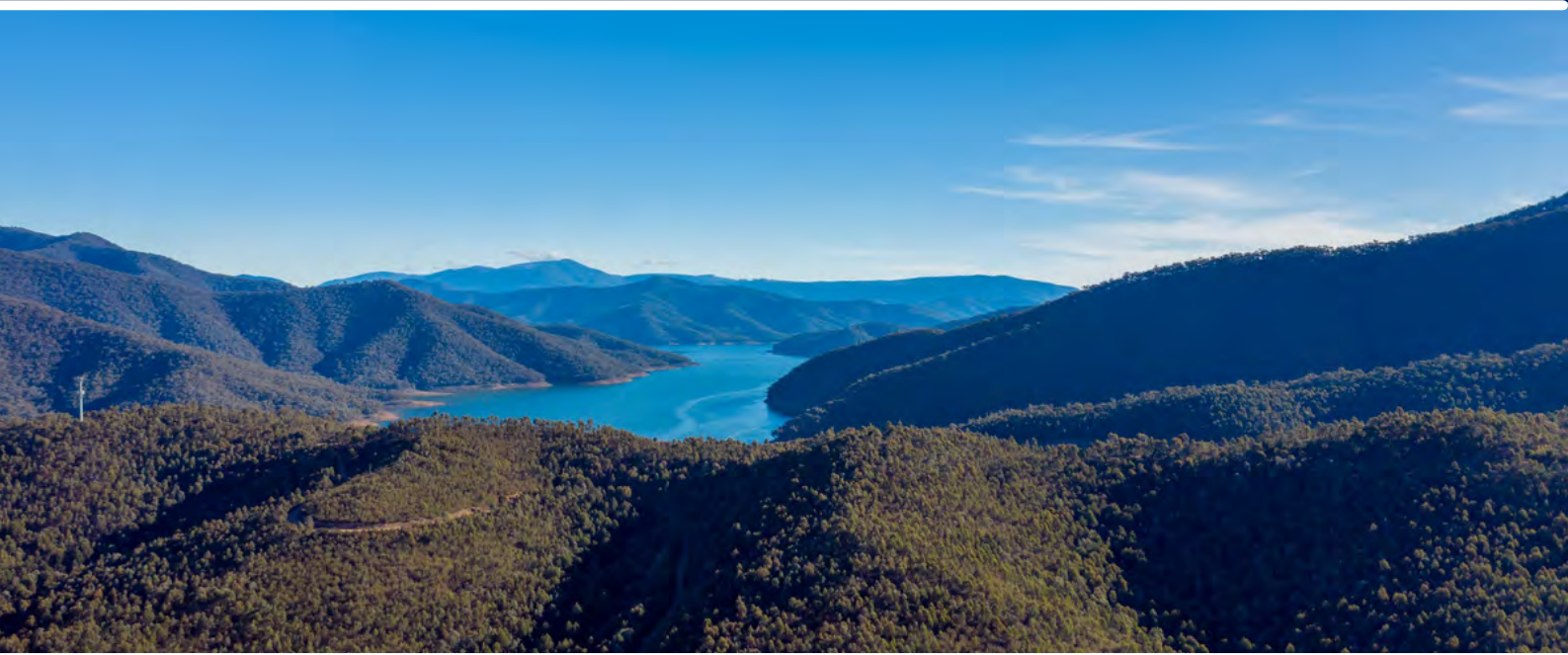




Mansfield Shire

Mansfield Shire Council

Annual Report 2022-23



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Acknowledgement of Traditional Owners

Mansfield Shire Council acknowledges the Taungurung people as the traditional owners of the land upon which our Shire is located. We pay our respects to the Taungurung elders, past, present and future and extend that respect to all Aboriginal and Torres Strait Islander peoples.

Welcome to the Mansfield Shire Council Annual Report 2022-23.

Council is committed to transparent reporting and accountability to the community. The Annual Report 2022-23 presents to our community comprehensive information about Council's operations and performance during the financial year.

About our Shire

Mansfield Shire is home to the dramatic landscapes of Victoria's High Country.

Visitors and locals come to our Shire to enjoy the country lifestyle, productive farmland, spectacular natural landscapes, and all things outdoors.

Less than two hours north-east of Melbourne, our municipality covers 3,843 square kilometres. Our Shire is home to the Alpine National Park and the second largest in-land waterway in Australia - Lake Eildon.

The alpine resort areas of Mt Buller and Mt Stirling are wholly surrounded by our municipal district. A significant proportion of the municipality is Crown land.

Five major river systems, the Delatite, Howqua, Jamieson, Big and Goulburn, have

their headwaters in the Shire and all flow into Lake Eildon.

Construction and property, agriculture and tourism underpin our Shire's strong economy, which is supported by a diverse range of commercial and service sectors.

Significant employment by industry included agriculture, health care and social assistance and retail. The 2021 census figures indicate that Mansfield Shire has a population of 10,178 and a total of 3,800 local jobs and 1,325 local businesses. 4,544 residents are employed.

The population has increased further since 2021, with the significant growth increasing demand on Council's services and infrastructure.



Median Age

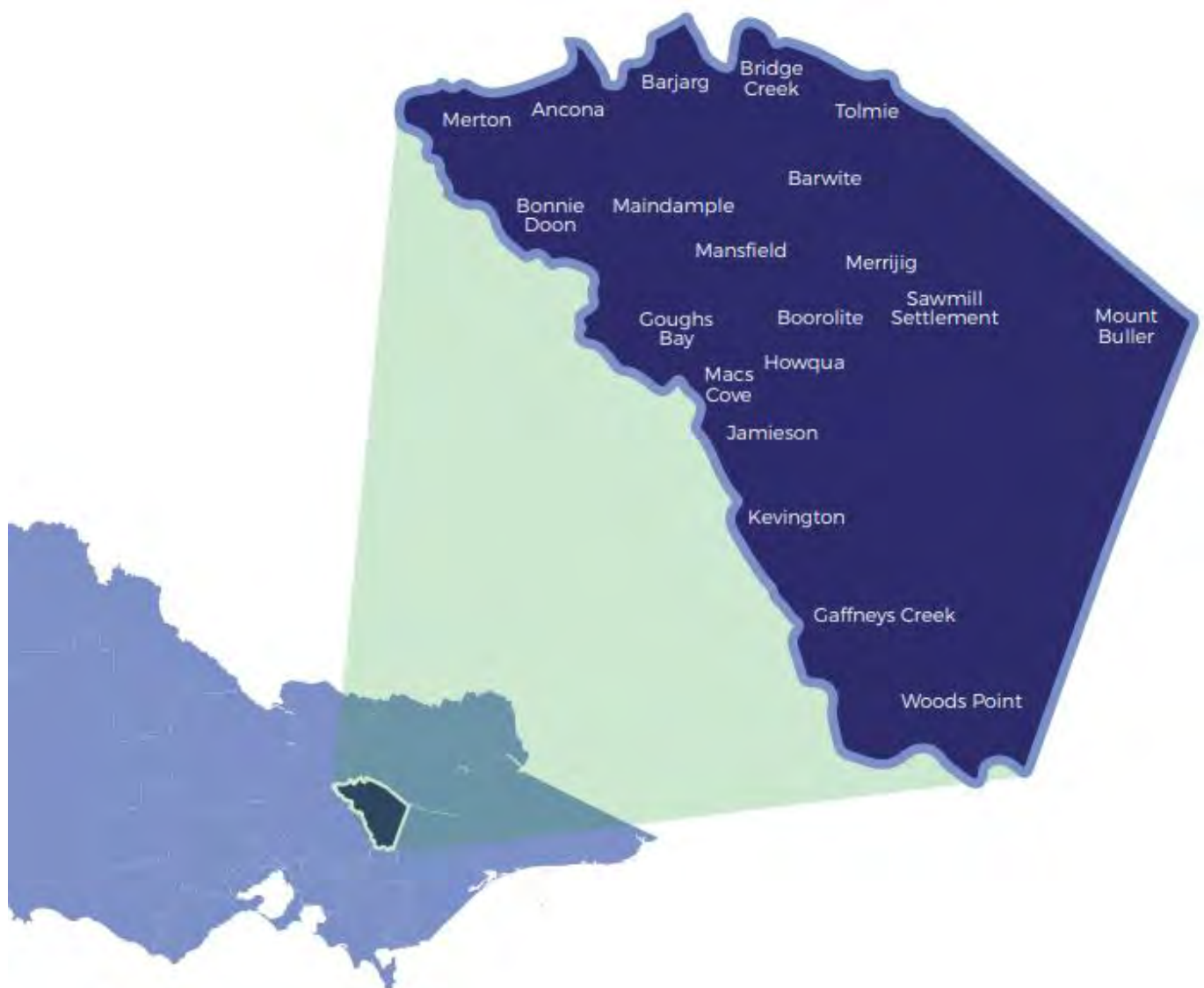


Our Population

Source: 2021 Census

Mansfield is central to many unique towns and villages including:

- + Ancona
- + Barjarg
- + Bonnie Doon
- + Goughs Bay
- + Howqua
- + Jamieson
- + Kevington
- + Macs Cove
- + Maindample
- + Merrijig
- + Merton
- + Sawmill Settlement/Alpine Ridge
- + Tolmie
- + Woods Point



The Year in Review

Message from the Mayor

We are pleased to present the Annual Report for 2022-23. This report details how we performed against our Council Plan 2021-2025 and includes detailed information for our community on the progress made against the initiatives in that plan.

Strong performance and key focus areas reflected in community satisfaction

It was promising to see a strong result in the 2023 Community Satisfaction Survey. Although survey results for Victorian Councils generally declined this year, Council's overall performance was rated at 59, higher than the average of like shires across the State (55) and higher than the state-wide average (56).

This important indicator shows the community is recognising Council's improved performance areas. It also provides us an opportunity to reflect on how we can further improve on our service delivery and to confirm that our focus areas match our community's expectations.

Council's top performing area continues to be the appearance of public areas. Art centres and libraries were our second highest rated service area. Other service areas with improved results in 2023 include Tourism Development, Consultation and Engagement, and Parking Facilities.

The survey results indicate that planning related services should remain a key focus of Council, particularly planning for population growth and the management of planning and building permits.

Financial resilience increased with underlying surplus

Council successfully implemented cost-saving measures to bolster our financial resilience despite the challenging economic landscape with the Consumer Price Index (CPI) running at 7% and rising waste disposal costs. A remarkable underlying surplus of \$700,000 (2.7%) was achieved in 2022-23 (up from 1.1% in 2021-22), reflecting the collective commitment of the whole organisation to managing costs and operating effectively.

We delivered \$7.9 million of capital works projects

Throughout 2022-23 we delivered \$7.9m of capital works projects, with a large component of our funding coming from State and Federal Government grants. As our community grows the demand on infrastructure and community facilities increases. That's why we are investing to make sure our assets continue to meet the community's needs.

This is demonstrated by the \$10 million IMPACT Route road upgrade and other significant infrastructure enhancements, from more pedestrian-friendly pathways and enhancing our parks and gardens, to securing funding for a Mansfield Township Infrastructure Plan and Flood Study. Completion of Stage 1 of the HVAR (Heavy Vehicle Alternate Route) and the opening of a new car park in High Street to address parking and traffic congestion were key initiatives completed this year.

Library refurbished and tourism and events flourishing

We welcomed the completion of the Mansfield Library refurbishment to significant local fanfare. The visitation statistics from the library confirm how integral this service is to our community and we were pleased to see the reaction from the community following the re-opening in May.

We also delivered support to key events, such as the Mansfield Pottery Festival, Horsepower in the High Country, Stock Dog Spectacular and inaugural Mansfield Readers and Writers' Festival, with a strong community response and attendance.

Appointment of new Chief Executive Officer

Finally, Council appointed a new Chief Executive Officer this year. The appointment of a new CEO is one of the most important roles of a Council.

Kirsten Alexander, who was Council's General Manager Infrastructure and Planning since 2020, was appointed to a four-year term in August 2022. Kirsten's extensive local government and senior management experience have been invaluable over the past year. She has shown to be a strong leader for the organisation as we continue to deliver the best possible outcomes for our community.

I would like to thank our community for their engagement and input this year, my fellow councillors, and our diligent Council staff, all of whom have played a role in making this a productive and memorable year.



James Tehan

Mayor

Our Councillors



CR JAMES TEHAN

MAYOR

First elected October 2020

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M: 0419 739 361



CR STEVE RABIE

DEPUTY MAYOR

First elected October 2020

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CR PAUL SLADDIN

First elected October 2012

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CR ROHAN WEBB

First elected October 2020

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Financial Summary

Operating Results

Council achieved a surplus of \$3.9 million in 2022-23. The surplus is \$0.6 million (14%) lower than the previous year surplus of \$4.5 million. As per the Comprehensive Income Statement in the Financial Report, the variance is due mainly to a decrease in capital grant income recognised during the year of \$0.8 million (51%). The decrease in capital grant income reflects the previous year recognising non-recurrent income for the final stages of Dual Court Stadium recreation program.

The adjusted underlying surplus of Council, after removing non-recurrent capital grants, cash capital contributions and non-monetary capital contributions, is a surplus of \$0.7 million or 2.7% when compared to adjusted underlying revenue; up from 1.1% in the previous year.

Sustaining an adjusted underlying surplus is a critical financial strategy to provide capacity to continue renewing the \$253 million of community assets under Council's control.

Liquidity

Cash and Financial Assets held by Council are \$20.4 million.

The working capital ratio which assesses Council's ability to meet current commitments is calculated by measuring Council's current assets as a percentage of current liabilities. Council's working capital of 192% is an indicator of Council's financial sustainability.

Obligations

Council aims to ensure that it is able to maintain its infrastructure assets at the expected levels, while at the same time continuing to deliver the services needed by the community. Council invested \$7.9 million in renewal and upgrade works during the 2022-23 year. This was funded from operations and grants. At 30 June 2023, Council's debt ratio which is measured by comparing interest bearing loans and borrowings to rate revenue, was 27%, a decline on the previous year due to higher rate revenue.

Council's asset renewal and upgrade ratio, which is measured by comparing asset renewal and upgrade expenditure to depreciation, was increased to 183% from less than 65% in 2019-20. This is primarily due to the road resheeting program, which was supported by funding from the Australian Government's Local Roads and Community Infrastructure fund.

Stability and Efficiency

Council raises a wide range of revenues including rates, user fees, fines, grants and contributions. Council's rates concentration, which compares rate revenue to adjusted underlying revenue, was 61% for the 2022-23 year.

Major Capital Works

Our Capital Works Program is responsible for the creation and renewal of public spaces and facilities including parks and gardens, roads, footpaths, bridges, carparks and recreational and leisure facilities.

Council delivered a \$7.9 million capital works program in 2022-23.

+ MANSFIELD LIBRARY REFURBISHMENT

The Mansfield Library underwent extensive renovations over several months and reopened in May 2023 with extended opening hours. The new layout includes spaces for social activities, study or remote working, meeting spaces available to be hired by the public and a larger dedicated children's space.

The space was designed with environmental sustainability in mind and features a bright and modern interior with improved ventilation and temperature control, energy efficient lighting, double glazing, and improved insulation to reduce energy and operating costs.

The Department of Jobs, Precincts and Regions through the Living Libraries Infrastructure Program contributed a non-recurrent grant of \$0.54 million toward the project.

+ STATION PRECINCT MASTER PLAN HERITAGE MUSEUM

A tender was awarded for construction of the new museum at the Mansfield Station Precinct. The 'Mansfield Heritage Museum' will showcase Mansfield's history, inviting visitors and community members to explore and learn about local history throughout the ages.

The construction contract for the Mansfield Heritage Museum was awarded to Hennessy Construction Pty Ltd with works planned to commence in late 2023.

Mansfield Historical Society raised approximately \$90,000 through community donations, which in turn has attracted \$1.18 million in funding from the Australian Government's Local Roads and Community Infrastructure Program and \$34,164 from the Mansfield and District Community Bank.



+ FOOTPATHS AND CYCLEWAYS

Council's Footpath and Shared Path Strategy was finalised in 2022 with the reviewed strategy designed to guide the future expansion of the path network to provide safety, accessibility and connectivity for pedestrians, cyclists and horse riders.

The strategy aims to provide a framework for the planning and prioritisation of pathway projects across the shire, with a list of priority projects for Mansfield and the outlying townships identified through community engagement. The strategy provides a clear and deliberate vision to improve the network over the next 20 years and beyond.

As part of this strategy Council commenced works to construct a new sealed shared path on Malcolm Street. The shared path once completed will help to provide a safer route for all path users and enhance connectivity to transport, schools and local businesses.

This project is jointly funded by Council and the Transport Accident Commission (TAC) through the TAC Local Government Grant Program. The \$217,870.04 contract was awarded to Ground Technique Pty Ltd.

+ HEAVY VEHICLE ALTERNATE ROUTE (HVAR)

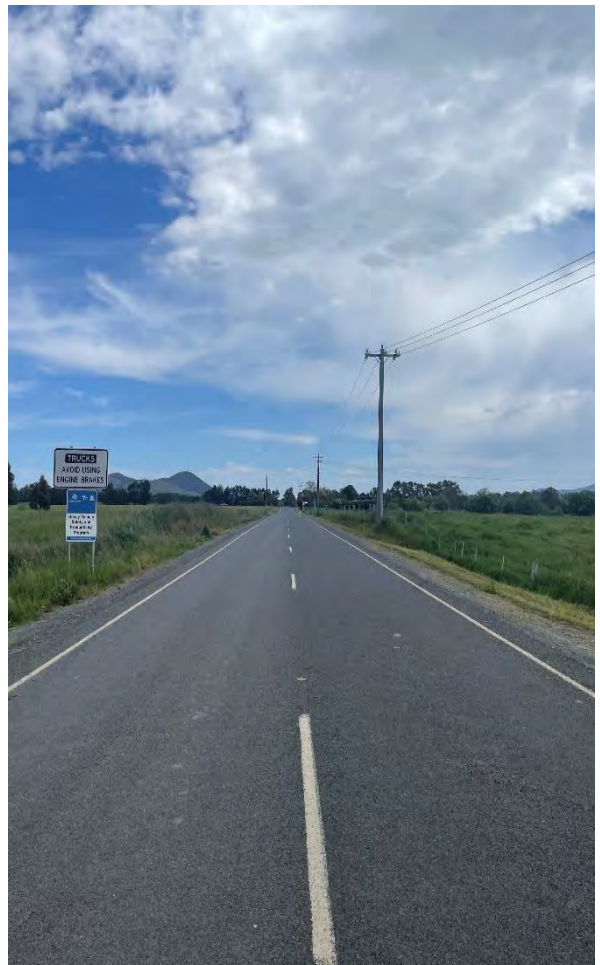
The **Heavy Vehicle Alternate Route**, jointly funded by the Australian Government and Mansfield Shire Council, is part of Council's long term traffic and transport strategies.

Stage 1 of the Heavy Vehicle Alternate Route was completed including the intersection of Maroondah Highway and Withers Lane upgraded with the construction of a new left-hand turning lane, and the sealing of the Withers Lane and Dead Horse Lane through to the Ford Creek bridge.

Construction commenced on Stage 2 work, which includes widening and road strengthening works on sections of Mt Battery Road and Greenvale Lane and along the eastern section of Dead Horse Lane. Construction is expected to be complete in December 2023.

The completed HVAR will provide a safer and more efficient journey by directing heavy vehicles away from the residential and commercial streets of Mansfield's central business district. This will have ongoing benefits for the community including improved road surfaces and intersection alignment, and enhanced road safety and traffic flow.

The project is co-funded with the Australian Government investing \$1.95 million through the Heavy Vehicle Safety and Productivity Program (HSVPP), while Council borrowed \$2.6 million for both Stage 1 and Stage 2, with works being completed by North East Civil Construction Pty Ltd.



+ RESEALING AND ASPHALTING PROGRAM

Council's Resealing and Asphaltting Program was completed over the 2022-23 year with 29.3km of roads resealed. Resealing works included profiling the existing road surface and stabilising any soft spots, and spray sealing the surface to provide a renewed road pavement. The works were completed on priority sections of the following roads:

- + Ancona Road, Ancona
- + Apollo Street, Mansfield
- + Barwite Road, Barwite
- + Bon Crescent, Bonnie Doon
- + Crosbys Lane, Mansfield
- + Curia Street, Mansfield
- + Graves Road, Mansfield
- + Hearn Road, Boorolite
- + Howes Creek Road, Mansfield
- + Kidston Parade, Mansfield
- + Merton-Strathbogie Road, Merton
- + Monkey Gully Road, Mansfield
- + Lake Nillahcootie Road, Barjarg
- + Olympic Street, Mansfield
- + School Lane, Merrijig

Asphaltting works were completed where necessary to provide a more resilient surface for vehicles turning and accelerating on sections of the following roads:

- + Apollo Street – Victoria Street Roundabout, Mansfield
- + High Street Crossovers (west-bound lane), Mansfield
- + High Street Carparks (west-bound lane), Mansfield
- + Section of Hihett Street – Malcolm Street Roundabout, Mansfield

Crack sealing of the road surface was completed on sections of the following roads to prevent water entering the pavement and causing further damage:

- + Adams Street, Mansfield
- + Ailsa Street, Mansfield
- + Cricket Street, Mansfield
- + Elvins Street, Mansfield
- + Kitchen Street, Mansfield
- + Hunter Street, Mansfield
- + Minerva Street, Mansfield
- + Nolan Street, Mansfield
- + Reynolds Street, Mansfield
- + Stoneleigh Road, Mansfield
- + Ultimo Street, Mansfield
- + Victoria Street, Mansfield
- + Village Court, Mansfield
- + Piries-Goughs Bay Road, Goughs Bay
- + Walsh Road, Goughs Bay

The total budget for the resealing and asphaltting program was **\$2,144,696**.

2022-23 Capital Works Projects:

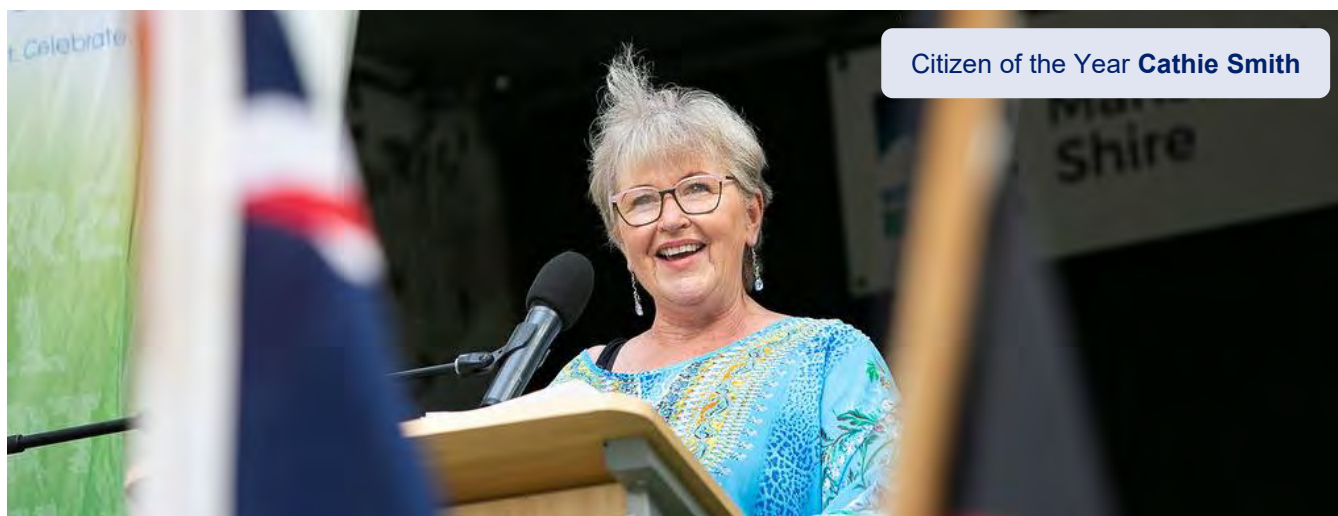
- + Gough's Bay Boat Club Redevelopment – construction commenced on \$2m redevelopment of the Boat Club and surrounds, with Council auspicing a \$1.5m grant awarded from Regional Development Victoria's Regional Tourism Investment Fund, and the remaining funds contributed by the community funding partners; Goughs Bay Boat Sport and Recreation Club, Goughs Bay Progress Association and the Mansfield and District Community Bank.
- + Bonnie Doon Community Centre – BBQ refurbished, picnic shelter roof renewed, and new picnic tables installed. New air-conditioning system installed in the Community Centre.
- + Jamieson Public Toilet Renewal – refurbishment works completed.
- + Installation of new solar LED lighting at the Mansfield Family and Children's Centre.
- + Mansfield Recreation Reserve Playground - Toilet refurbishment and renewal including new fixtures.
- + Mansfield Botanic Park – Renewal of Rotary BBQ Shelter roof and shade structures installed at the new playground, funded by Outdoor Activation grant funding.
- + Bridge and culvert renewal works at several locations including:
 - o Old Tonga Road, Mansfield
 - o Sawpitt Gully Road, Bridge Creek
 - o Tolmie Street, Maindample
 - o Malcolm Street culvert widening and guardrail extension, Mansfield
- + New shared path Malcolm St, Mansfield – stage 1 concrete path works completed.
- + Renewal of concrete paths at the following locations:
 - o 54 Malcolm St, Mansfield
 - o Maple Tree Boulevard, Mansfield
 - o Corner of Highton Lane and Mitchell Court, Mansfield
 - o 26 Highett St, Mansfield
- + Concrete kerb and channel construction completed at Bon Crescent, Bonnie Doon and Rowe St and McDonald St, Mansfield.
- + High St, Mansfield - on-street carpark asphalt resealing and linemarking.
- + Unsealed road gravel resheeting works at the following roads:
 - o Monkey Gully Road, Mansfield
 - o Carlisle Hill, Mansfield
 - o Hutchinsons Road, Bonnie Doon
 - o Long Lane, Barwite
 - o Lambing Gully Road, Bonnie Doon
 - o Dueran Lane, Mansfield
 - o Ancona Road Bus Turnaround
 - o Dry Creek Road, Bonnie Doon
- + Road upgrade and sealing works at Buttercup Road intersection, Merrijig
- + Drainage rehabilitation program – CCTV inspection and cleaning of stormwater pipes at identified locations around Mansfield.
- + Embankment repair works at The Sideling, Jamieson

Mansfield Shire Community Citizen Awards 2023

Each year Council presents the Mansfield Shire Australia Day Awards as part of Mansfield's Australia Day celebrations.

These awards reward community service at a local level and are administered through a nomination and assessment program. In 2023, the Australia Day Awardees were:

- + Citizen of the Year **Cathie Smith**
- + Senior Citizen of the Year **Marie Sellstrom**
- + Young Citizen of the Year **Sam Bell**
- + Community Event of the Year **Mansfield Open Studio Trail (M.O.S.T)**
- + Community Group or Organisation of the Year **High Country Quilters**



Citizenship Ceremonies

Each year, Council facilitates the final step in conferring our newest Australian Citizens through the hosting of a citizenship ceremony. Australian citizenship enables people to participate fully in our inclusive society, regardless of race, background, gender, religion, language or place of birth.

During 2022-23, Mansfield Shire Council hosted five citizenship ceremonies, with Mayor Cr James Tehan as presiding member welcoming 33 community members as Australian Citizens, from 18 different nations including:

- | | | |
|------------------|------------|-----------------|
| + United Kingdom | + China | + Canada |
| + Taiwan | + Denmark | + Italy |
| + Maldives | + India | + United States |
| + Philippines | + Pakistan | + Turkey |
| + Switzerland | + Sweden | + Austria |
| + France | + Ireland | + Cambodia |



Organisational Structure

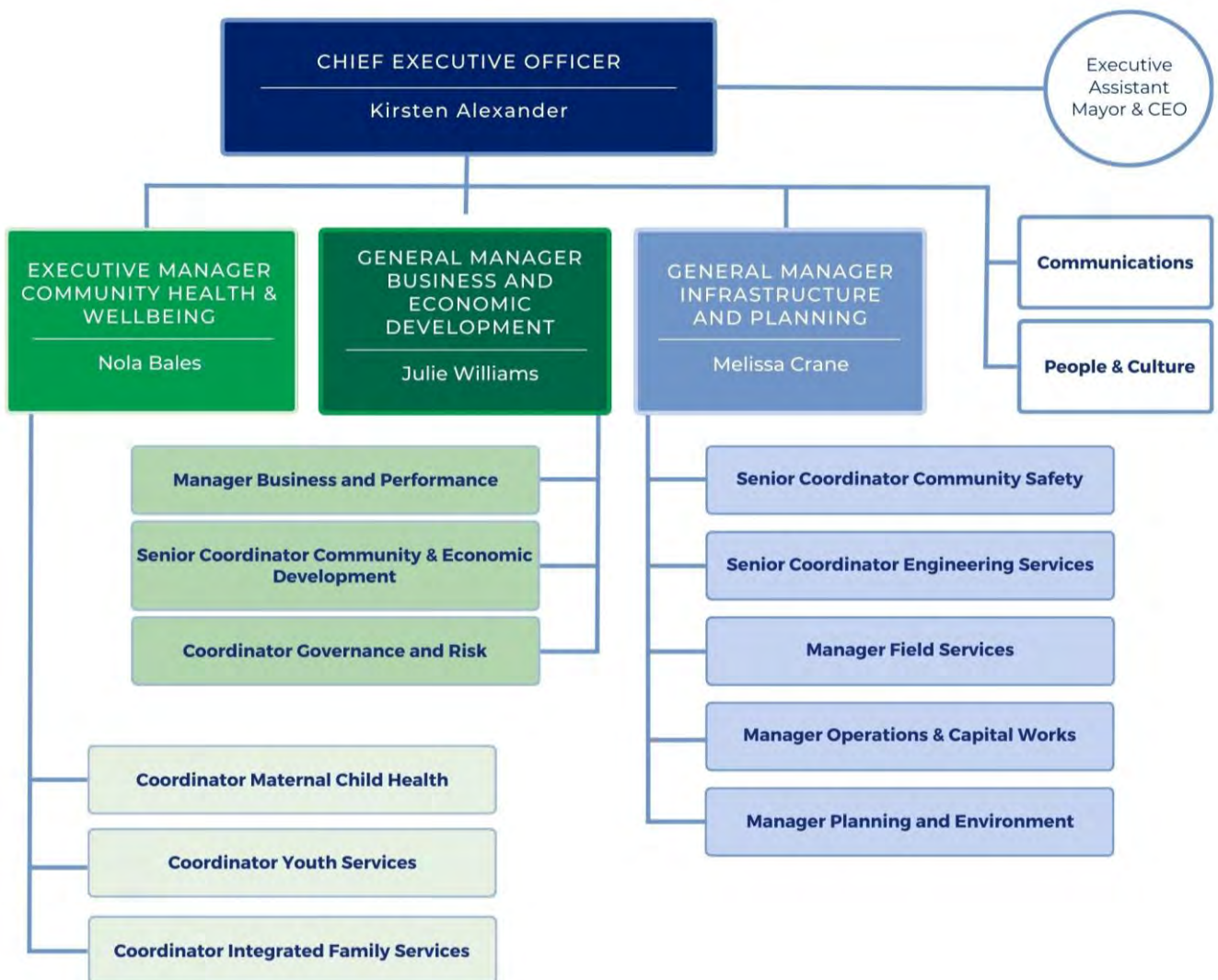
Council, made up of elected representatives, is responsible for setting the overall strategic direction for our organisation, identifying service standards and monitoring performance.

Council sets its strategic direction through a four-year Council Plan, which contributes to achieving the community’s long-term vision. Council is the governing body that appoints a Chief Executive Officer (CEO). The CEO has responsibility for the day-to-day management of operations in accordance with the strategic directions of our Council Plan.

Our CEO, two General Managers and one Executive Manager form the Executive Management Team (EMT) that lead the organisation.

Interim CEO, Bill Millard, was appointed in July 2022 to lead the organisation while the recruitment for a new CEO was undertaken following the resignation of Kaylene Corrick. Kirsten Alexander (previously General Manager Infrastructure and Planning) was announced as the successful candidate and commenced in the role on 5 September 2022.

Following a review of the organisational structure, the Community and Corporate Services directorate was split into two to support the delivery of community services in line with Council’s Public Health and Wellbeing Plan. The new organisational structure reinforces our commitment to delivery of the Council Plan 2021-2025.



Chief Executive Officer

Kirsten Alexander

Functions reporting directly to the Chief Executive Officer include Executive Assistance, People & Culture and Communications.

Senior Officers reporting directly to the Chief Executive Officer and the functions for which they are responsible include:

Melissa Crane

General Manager Infrastructure and Planning

- + Operations and Capital Works
- + Field Services
- + Community Safety
- + Planning and Environment
- + Engineering Services

Julie Williams

General Manager Business and Economic Development

- + Business and Performance
- + Community and Economic Development
- + Governance and Risk

Nola Bales

Executive Manager Community Health and Wellbeing

- + Maternal and Child Health
 - + Youth Services
 - + Integrated Family Services
 - + Social Inclusion & Community Health
-

Our Staff

Summary of full-time equivalent staff by organisation structure, employment type and gender.

NB. Fixed term positions include grant funded positions as well as backfill positions such as maternity leave, long service leave and short term contracted staff.

	Business & Performance	Community & Economic Development	Community Health & Wellbeing	Community Safety	Executive Services	Field Services	Governance & Risk	Operations & Capital Works	People & Culture	Planning & Environment	Total Full-time Equivalents
Permanent FT - F	2.0	1.0	5.0	2.0	-	3.0	-	2.0	1.0	4.0	20.0
Permanent FT - M	2.0	2.0	-	1.0	1.0	22.0	-	6.0	1.0	3.0	38.0
Permanent FT - X	-	-	-	-	-	-	-	-	-	-	0.0
Permanent PT - F	3.4	7.7	3.1	2.1	-	0.6	1.3	-	-	2.5	20.5
Permanent PT - M	0.5	-	-	1.7	-	0.9	-	0.6	-	2.4	6.1
Permanent PT - X	-	-	-	-	-	-	-	-	-	-	0.00
Fixed Term FT - F	1.0	-	2.0	-	5.0	-	-	1.0	1.0	1.0	11.0
Fixed Term FT - M	-	-	-	-	-	-	-	8.0	-	1.0	9.0
Fixed Term FT - X	-	-	-	-	-	-	-	-	-	-	0.0
Fixed Term PT - F	-	1.1	2.0	0.8	0.5	0.9	-	0.6	-	0.5	6.4
Fixed Term PT - M	1.0	0.6	-	-	-	0.9	-	1.3	-	1.2	5.0
Fixed Term PT - X	-	-	0.5	-	-	-	-	-	-	-	0.5
Casual - F	-	0.9	1.7	1.1	1.6	-	-	-	-	-	5.3
Casual - M	0.2	-	-	0.5	-	-	-	-	-	0.2	0.9
Casual - X	-	-	-	-	-	-	-	-	-	-	0.0
	10.1	13.3	14.2	9.2	8.1	28.1	1.3	19.5	3.0	15.8	122.6

Legend: FT-Full time; PT-Part time; F-Female; M-Male; X-persons of self-described gender

Summary of full-time equivalent staff by employment classification and gender.

NB. Includes all permanent, fixed term and casual positions as at 30 June 2023

	Band 1	Band 2	Band 3	Band 4	Band 5	Band 6	Band 7	Band 8	All Other	Total Full-time equivalent
Women	0.9	2.2	4.5	7.6	11.1	19.4	5.9	3.5	8.1	63.2
Men	0.2	1.3	17.9	7.6	9.2	10.4	5.0	3.0	4.3	58.9
Self-described gender	-	-	-	-	0.5	-	-	-	-	0.5
	1.1	3.5	22.4	15.2	20.8	29.8	10.9	6.5	12.4	122.6

Organisational Culture

Council is committed to fostering an organisational culture of continuous improvement and accountability and recognises the importance of learning and development opportunities to allow the organisation to progress and meet the changing needs of the community. This annual report provides an overview of key areas, including staff engagement and wellbeing, gender equality, learning and development, and occupational health and safety.

Staff Engagement and Wellbeing

As part of Council's dedication to enhancing and understanding workplace culture, a staff engagement survey was conducted in December 2022. Working collaboratively with the Senior Leadership Group and the Employee Consultative Committee, an action plan was developed aimed at improving staff engagement and wellbeing.

Gender Equality

In alignment with the Gender Equality Act 2020, the Gender Equality Action Plan (GEAP) was launched in April 2022 to support an inclusive and equitable workplace. This report highlights the progress made against the 3 key priorities.

- + **Priority 1: Enhanced Data Collection and Reporting**
Action: To improve our capacity to collect and report on the gender and intersectionality composition of our organisation, several initiatives have been implemented. Intersectionality data is now recorded for new employees, and participation in the People Matters Survey and analysis of the results has enabled a more comprehensive understanding of the workforce.
- + **Priority 2: Integration of Gender Equality into Policies and Operations**
Gender equality is integrated into existing and new Council policies, plans, programs, services, and operations. All new policies and programs undergo a Gender Impact Assessment (GIA) before being implemented and key documents have been reviewed to incorporate gender equality statements.
- + **Priority 3: Zero Tolerance for Discrimination and Harassment**
All staff members have undergone Respectful Workplace Behaviour Awareness training, equipping them to recognise, address, and respond to instances of such behaviour effectively. Bystander training has been completed by managers to further empower them in maintaining a respectful workplace environment and Council's Disciplinary Policy was reviewed and updated to ensure equitable treatment throughout the disciplinary process.

Learning and Development

Learning and development opportunities are provided for all employees, including training for essential skills through to professional development for career progression and leadership programs. These opportunities take into consideration the needs of individuals and teams, and the development of specific skills to improve operational effectiveness and cultivate future leaders at every level of the organisation.

A comprehensive organisational Training and Development Plan was compiled from the assessment of performance and development reviews from all teams. The primary objective of this plan is to effectively attract, retain and develop our Council team.

Occupational Health and Safety

In 2022-23 Mansfield Shire Council actively engaged in the implementation of health and safety activities and initiatives to ensure the organisation remained safe for employees, volunteers, contractors and visitors, including members of the public.

Occupational Health and Safety (OHS) activities and initiatives undertaken were based on:

- + Establishing a systematic approach to OHS
- + Building a strong OHS culture
- + Providing a healthy and safe workplace

Four OHS Committee meetings were held and attended by the Chief Executive Officer, General Managers and staff representatives. During these meetings the committee continued to establish, implement, maintain, and improve Council's occupational health and safety management system.

Internal occupational health and safety positions filled include the OHS Officer, First Aid Officers, Contact Officers, Wardens, Health and Safety Representatives and Mental Health First Aid Officers.

Monthly OHS performance reports were reviewed by Council's Executive Management Team and Health and Safety representatives, and quarterly OHS performance reports were reviewed by Council's Audit and Risk Committee.

We undertook 8 formal workplace inspections, and numerous informal inspections were also undertaken by Health and Safety Representatives and the OHS Officer within Council facilities. At 30 June, no hazards remained outstanding.

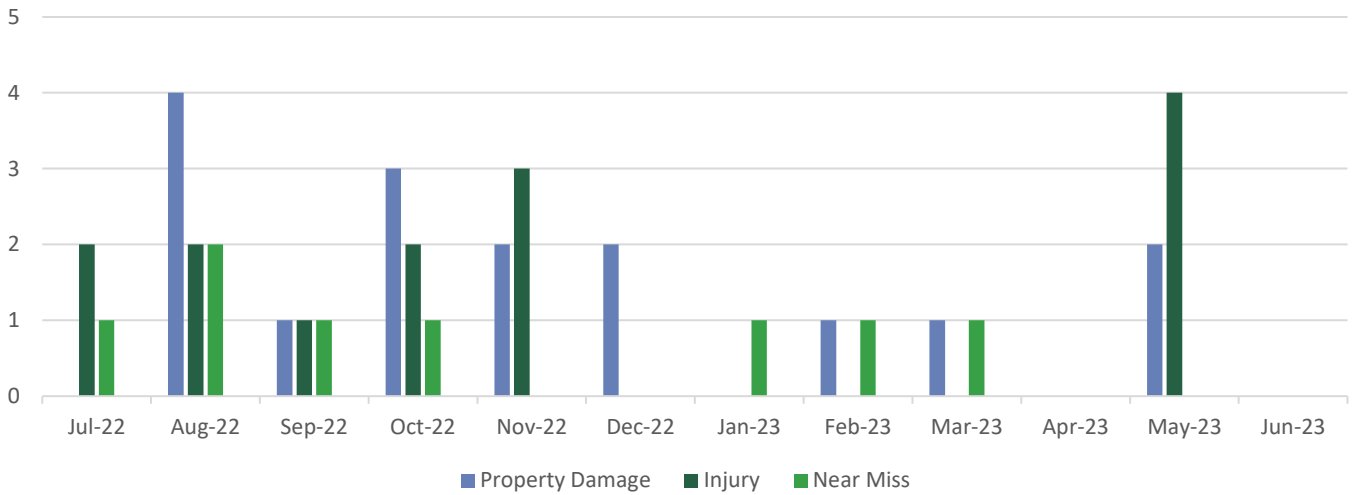
Council officers undertook training in the following 13 health and safety areas:

- + UV safety
- + Warden training
- + First Aid training
- + 4WD training
- + Workplace Contact Officer (support) training
- + Health and Safety Representative training
- + Duress Training
- + School Crossing Training

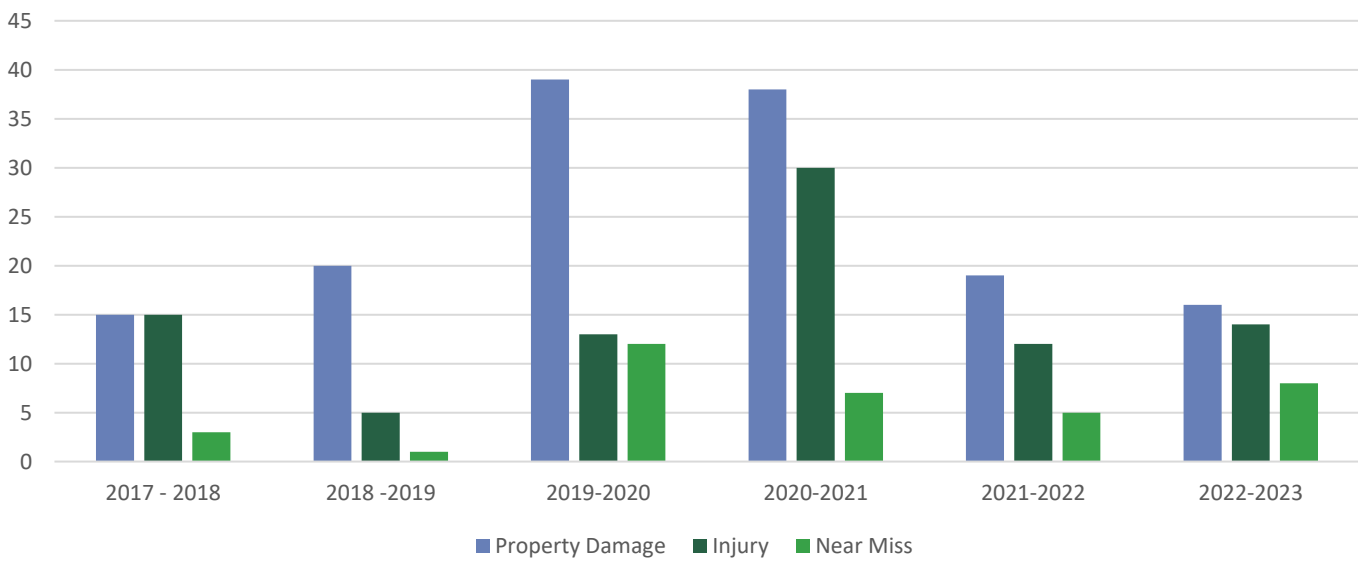
Council had 38 workplace incidents reported. 16 incidents were property damage, 14 incidents were injuries, and 8 incidents were near misses.

Council had one notifiable incident that was required to be reported to WorkSafe Victoria. WorkSafe conducted an inspection and Council received no entry reports, no improvement notices, and no prohibition notices from WorkSafe Victoria.

Monthly Incident Overview July 2022 - June 2023



Yearly Incident Overview June 2017-18 - June 2022-23



Our Performance

The *Local Government Act 2020* 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 10 year **Financial Plan**
- + A 10 year **Asset Plan**
- + A 10 year **Community Vision**
- + A **Budget** for each financial year
- + An **Annual Report** in respect of each financial year.

Council has incorporated a **Municipal Health and Wellbeing Plan** in its Council Plan.

Council Plan

The Mansfield Shire Council Plan 2021-2025 is the key strategic document to guide Council's decision-making. It goes hand in hand with the Mansfield Community Vision, and articulates the role Council will play in leading, supporting and advocating for the best possible outcomes for the Mansfield Shire community.

The strategic objectives included in the Council Plan are:

1. The health and wellbeing of families and communities is maximised
2. Activities that promote connection and fitness of our people and visitors
3. Future focuses: Intelligent land use and infrastructure
4. Clean and green: Waste and energy sustainability
5. Prosperous: Industries, businesses and workforces of the future
6. Council possesses in-house and outsourced capability to meet community expectations
7. Financial sustainability and value for money
8. A consultative Council that represents and empowers its community



Access a copy of the Council Plan at mansfield.vic.gov.au

Performance

Council's progress in 2022-23 against each strategic objective has been reported to demonstrate how Council is performing in achieving the Council Plan objectives.

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 identified in the budget
- ▶ Services funded in the budget and the persons or sections of the community who provided those services
- ▶ Results against the prescribed service performance indicators and measures.

Theme 1: Connected and Healthy Community

Strategic Objective 1: The health and wellbeing of families and communities is maximised

- ▶ **Strategy 1.1** Embed health and wellbeing enablers and protections to reduce risks to our communities
- ▶ **Strategy 1.2** Connect, develop and support children and young people

Major Initiatives 2022-23 Budget	2022-23 Actions
<p>1. Optimise child and family services delivered by Council through the:</p> <ul style="list-style-type: none"> a. Implementation of the Youth Service Review recommendations and development of a new Youth Strategy 2023 b. Development of the Municipal Early Years Plan drawing on the Early Years Infrastructure Service Review 	<ul style="list-style-type: none"> + The results of the Youth Service Review were presented to Council on 28 June 2022. The recommendations were implemented with a restructure completed to improve the delivery of a range of programs, services and activities to young people with a focus on providing opportunities to engage, grow and learn in a safe and engaging environment. Council's Youth Services team are engaging with schools, service providers and non-government organisations to develop a broad program. We have leveraged community-based initiatives to engage young people in community events. + The Municipal Early Years Plan (MEYP) was deferred to strategically combine with three other early years initiatives; the Central Registration and Enrolment Scheme (CRES) feasibility study, the Kindergarten Infrastructure and Services Plan (KISP) and the early years workforce plan. The MEYP will be completed with these projects in 2023-24.
<p>2. Maintain and improve playgrounds and recreational spaces through implementation of the Mansfield Open Space Strategy</p>	<ul style="list-style-type: none"> + The Mansfield Open Space Strategy was adopted in February 2023. Amendment C57 has been prepared to implement this document into the Mansfield Planning Scheme. This amendment has been submitted to the Minister for Planning for approval to exhibit. + A new Merton community playground has been completed as a collaborative project. + The Outdoor Activation Fund was used to install shade sails at Botanic Park based on community feedback. + Consultation on the Botanic Park Master Plan commenced, and the final plan will be adopted in the 2023-24 Financial Year.
<p>3. Improve community connectedness through the development of the Mansfield Access and Inclusion Plan</p>	<ul style="list-style-type: none"> + Social Inclusion Action Group program, funded through the Department of Health Mental Health Office, commenced with the recruitment of the Group Facilitator and a preliminary needs analysis of the community. Preparation of the engagement plan and Expressions of Interest documents including role descriptors for group members commenced. The Mansfield Access and Inclusion Plan will be completed following this collaborative process and further community consultation. + VicHealth Local Government partnership - Module One creating connected and supportive communities has commenced.
<p>4. Support the Mansfield Kindergarten redevelopment through a further contribution to the construction phase of the project</p>	<ul style="list-style-type: none"> + Kindergarten expansion project tender awarded, with construction to commence in mid-2023, supported by Council through a further contribution of funds.
Other Initiatives 2022-23 Budget	
<p>1. Implement Year 1 actions from the Municipal Public Health and Wellbeing Action Plan</p>	<ul style="list-style-type: none"> + The Municipal Public Health and Wellbeing Action Plan Year 1 actions were implemented and all reporting responsibilities in relation to the Council Plan completed. The interim report was submitted to Councillor Briefing on 6 December 2022 and reviewed by Department of Health in 2023. The review noted that Year 1 actions were in line with Priority

Major Initiatives 2022-23 Budget	2022-23 Actions
	areas.
2. Participation in the RESTART Program with Mansfield District Hospital to reduce the harmful impact of alcohol and other drug use by improving health literacy	+ Participation In the RESTART program continues with attendance at RESTART by a Council representative. Advocacy for the continuation of funding and expansion of the program to the Murrindindi Shire was provided.
3. Completion of the Primary Prevention and early Identification of Family violence project DFFH to promote gender equity and reduction of family violence	+ The Primary Prevention and early identification of Family Violence Project was completed on time and within budget with the resulting activities reported to DFFH. Gender Equity Action Plan and 16 days of activism participation were undertaken.
4. Support transition of aged care services through working with Mansfield District Hospital MDH and the appointment of a Community Connections Officer to provide ongoing support and advocacy for community	+ Community Connections Officer is providing ongoing support and advocacy for community including outreach to Bonnie Doon and visiting Woods Point with the Library service. Liaison with MDH in Aged Care space has continued. The Community Connections role has been extended to 2023-24.
Additional Activities 2022-23	
<ul style="list-style-type: none"> + Respond Partnership with Mansfield District Hospital Providing Fresh food Drive, This Girl Can, Summer Series, and Active Footpaths + Jump Start program Crawl and Play - active playgroup + VicHealth Local Government Partnership undertaking modules Building Active Communities and Creating Connected Communities. Vic Health Implementation Grant + INFANT Program + Youth Program FreeZA and Engage + Family violence identification and early intervention activities 	<ul style="list-style-type: none"> + Respond Partnership continued with activities delivered including Fresh Food Drive, This Girl Can and Summer Series and the active footpaths initiative. + Jump Start program - grant obtained to run Crawl and Play and classes for under twos commenced April 2023. + VicHealth Local Government Partnership modules undertaken for Building Active Communities and Creating Connected Communities. Vic Health Implementation Grant obtained for further activities in 2023-24 + INFANT Program conducted through the Maternal and Child Health Program + FreeZA and Engage! Programs funded by Victorian State Government to provide young people aged 12 - 25 years to attend activities, programs and events that are smoke, vape, drug and alcohol free. + Maternal and Child Health and Integrated Family Services programs have supported Specialist Family Violence practitioners to return to Mansfield for face to face service delivery.

Service area	Description
Aged & Disability Services	Regional assessment service, the community bus and senior citizens.
Family Services & Partnerships	Financial counselling, Maternal and Child Health, Integrated Family Services, Social Inclusion Action Group, early years project and supported playgroups.
Community Health & Wellbeing	Strategic and operational management of programmes, activities and services to develop and promote the optimal health and wellbeing of the community.
Youth Services	Youth services including the Mansfield Youth Centre, FReeZA, youth engagement program and youth development.
Emergency Management	Fire prevention and emergency management. Relief and recovery operations with a focus on the Municipal Emergency Resource Programme in the context of community capacity building.
Health	Coordination of food safety support programs, Tobacco Act activities and smoke free dining and gaming venue issues. The service also works to rectify any public health concerns relating to unreasonable noise emissions, housing standards and pest controls.

Service area	Description
School Crossings	Supervisors at school crossings throughout the municipality to assist in ensuring school aged children are able to cross the road safely enroute to and from school.

Strategic Objective 2: Activities that promote connection and fitness of our people and visitors

- ▶ **Strategy 2.1** Support our arts community and facilitate the delivery of festivals and events
- ▶ **Strategy 2.2** Create an environment where community and clubs can recreate, socialise, and contribute to the health and wellbeing of the community
- ▶ **Strategy 2.3** Enhance the social and economic value of tourism to Mansfield

Major Initiatives 2022-23 Budget	2022-23 Actions
1. Develop a Tourism and Events strategy for Mansfield Shire Council and hold key events within the Shire	<ul style="list-style-type: none"> + Progressed the Sustainable Tourism Plan community engagement to identify and develop initiatives to support the targeted attraction of tourism and events businesses, as well as targeting of business and commercial events. + Contributed to the Tourism North East Destination Management Plan to ensure an aligned and collaborative approach is adopted in regard to regional tourism, and to harness the power of collaborative destination management and marketing. + A comprehensive calendar of events was delivered, including several new events attracting attendance of several thousand people from different regions and from Greater Melbourne. The Mansfield Pottery Festival, the Readers and Writers Festival, the Stock Dog Spectacular, and Horsepower in the High Country were highly successful events. Due to the strong response to these events, Council has entered into 3-year partnerships for support of these events.
2. Implement the Visitor Services Review to advance regional and destination tourism in cooperation with our local tourism partners	<ul style="list-style-type: none"> + Council has purchased the visitor servicing mobile trailer that was a recommendation in the visitor servicing review. The trailer is awaiting branding, ready to be deployed by December 2023. + Ongoing support has been provided to the redevelopment project for the Goughs Bay Boat Sport and Recreation Club, funded by the Regional Tourism Infrastructure Fund. + The Arts on The Rail Trail Project was progressed with the opening of the new art installations launched by the Attorney General Jaclyn Symes MP at Trawool Estate in May 2023, and new Trail signage is planned for installation by September 2023.
3. Implementation of the Library refurbishment to provide an attractive welcoming space for children and families	<ul style="list-style-type: none"> + The library refurbishment project was completed in May 2023 and was officially opened on 20 June 2023 by Shaun Leane MP with a community celebration supported by the Friends of Mansfield Library.
4. Enhance sporting and recreational facilities by continuing to advocate for funding of the Lords Reserve Community Hub as a priority project	<ul style="list-style-type: none"> + Worked with Sports and Recreation Victoria to plan and advocate for Lords Oval upgrades. + Funding awarded for Lords Oval Drainage from Sports and Recreation Victoria. + Review of the Mansfield Shire Sports and Recreation Strategy and the Sport Facilities Strategy commenced. + Re-established relationships with Valley Sports, AFL Victoria and Cricket Victoria to support advocacy.
5. Establish appropriate governance structure to support the ongoing development of the Mansfield Performing Arts	<ul style="list-style-type: none"> + A draft Joint Use Agreement has been developed in consultation with Mansfield Secondary College and is pending review by the Department of Education.

Major Initiatives 2022-23 Budget	2022-23 Actions
Centre (MPAC) through development of a joint use agreement with Mansfield Secondary College	
Other Initiatives 2022-23 Budget	
1. Continue to work with the Year-round Aquatic Facility for Mansfield (YAFM) community group in development of a feasibility study for an indoor swimming facility	+ YAFM presented to Councillors on their progress at a Council Briefing on 2 May 2023 and officers have continued to work with YAFM.
Additional Activities 2022-23	
<ul style="list-style-type: none"> + Deliver event management support to community and commercial events + 2022-23 key events will continue to have 4 key events - Targa, Australia Day, Lantern Festival and High Country Festival. 	<p>+ Significant event management support was provided including information on planning, traffic and safety requirements to multiple existing and new events.</p> <p>New Events</p> <ul style="list-style-type: none"> + Horsepower In The High Country + Mansfield Pottery Festival + Stock dog Spectacular + Mansfield Readers Writers Festival + Goughs Bay Festival <p>Existing Events</p> <ul style="list-style-type: none"> + NAIDOC Week + Seniors Festival + Highline Downhill Mountain Bike + Christmas Picnic <p>+ Council has run or supported approximately 50 events in 2022-23.</p>

Service area	Description
Arts, Culture & Library	Mansfield Library services and the Mansfield Performing Arts Centre.
Community Development	Community matching fund contributions, and community projects including community planning, development and resilience.
Economic Development – Tourism & Events	A range of community events including both community and Council run events. Support for Tourism including Tourism North East operations, facilitation, marketing and engagement with existing and potential tourism businesses.
Operations & General Services	Administration and support for Community and Economic Development.
Sport & Recreation	Sports facilities, the Sport and Recreation Strategic Plan and related actions.

Theme 2: Vibrant Liveability

Strategic Objective 3: Future focussed: Intelligent land use and infrastructure

- ▶ **Strategy 3.1** Protect natural vistas and farmlands
- ▶ **Strategy 3.2** Enhance township character
- ▶ **Strategy 3.3** Improve roads, drainage, and footpaths
- ▶ **Strategy 3.4** Plan for and encourage appropriate housing

Major Initiatives 2022-23 Budget	2022-23 Actions
1. Completion of the Heavy Vehicle Alternative Route (Stage 2)	+ Tender awarded for HVAR Stage 2 construction works and works commenced, scheduled to be completed by December 2023.
2. Design and construction of a new public carpark in High Street Mansfield	+ Temporary car park opened for use in December 2022 and detailed design of the carpark commenced. Council also acquired land for a new exit onto Collopy St, with final construction works to be undertaken during the 2023-24 financial year.
3. Outlying Communities Infrastructure Grant to support and engage our communities to deliver new community infrastructure projects	+ Annual grant opportunity for outlying communities awarded to the following: <ul style="list-style-type: none"> o Merton skatepark o Bonnie Doon moving of Billie's house o Jamieson Arts and Gardens relocation. + Updated guidelines drafted for the Outlying Communities Infrastructure Grant to support an increase in the funding to \$75,000 for 2023-24.
4. Implement Planning Scheme Amendments to support the Mansfield Planning Strategy and protect township character and natural landscapes	+ A planning scheme review was completed, with the recommendations to be implemented into the Mansfield Planning Scheme. + A consultant was appointed for the implementation of the Mansfield Planning Strategy into the Mansfield Planning Scheme, (Amendment C60mans). RedInk Planning is undertaking this work at no cost to Council in partnership with the Regional Planning Hub. + Amendment C54 was completed on 2 June 2023 to rezone land in Dead Horse Lane from Farming Zone to Neighbourhood Residential. + C48 Part 1 was completed on 20 January 2023 to provide protection for some of the Township Approaches. Work has commenced on an amendment to provide protection for the remaining Township Approaches. + C51 Part 1 was approved on 8 September 2022 to implement the Mansfield Commercial and Industrial Land Use Strategy.
5. Flood mapping and major program of stormwater infrastructure improvements to respond to increased development and to provide improved drainage to high priority areas	+ Funding obtained to undertake the Mansfield and Surrounds Flood Study, with a consultant appointed in the second half of 2023.
Other Initiatives 2022-23 Budget	
1. Continue Township Streetscape Upgrades, develop and implement actions from Bonnie Doon structure plan	+ Priority Streetscape Upgrades identified through community engagement. Upgrade of the Bonnie Doon Community Centre BBQ and Shelter completed, irrigation works planned for completion in September 2023.
2. Provision of additional resourcing for Road Maintenance and Parks and Gardens maintenance to support	+ Increased road maintenance and parks and gardens work has been undertaken across the municipality supported by the additional resources. This included 10km of road resheeting completed using internal Field Services resources.

Major Initiatives 2022-23 Budget	2022-23 Actions
our growing population	
Additional Activities 2022-23	
+ Engage with Traditional Owners	<ul style="list-style-type: none"> + Council officer attends monthly Gadhaba meetings. + Planning and environment team have continued to liaise with the Taungurung Land and Waters Council (TLaWC). + Significant engagement occurred throughout the year in stakeholder meetings over the Mansfield Heritage Museum to direct the design brief for the exhibits.

Service area	Description
Building	Provision of information on building regulations, fencing, termites, relocation of dwellings, swimming pools and spas, requirements in bushfire prone areas, and general property issues. This service also assesses applications to vary the standard provisions of the Building Regulations, undertakes inspections to finalise permits issued by Council and receives and records all building permits issued within the Shire.
Local Laws	Animal management services including a cat trapping program, dog and cat collection, lost and found notification, Council pound, registration and administration, after hours and emergency services. Local Laws also oversee parking infringements. A new Domestic Animal Management Plan was adopted in October 2022.
Road Network	Ongoing maintenance of Council's road, footpath and drainage network.
Community Assets & Land Management	Property management of Council owned facilities (leasing, licensing, maintenance, sale and acquisition of property) including the management of the Mansfield Pool and Mansfield Sporting Complex.
Engineering Services	Capital works planning for upgrade and renewal of civil infrastructure assets, supervision and approval of private development activities, design, tendering and contract management, and supervision of Council's capital works program including asset management and renewal programs.
Statutory Services	The statutory planning service applies and enforces the provisions of the Mansfield Planning Scheme through expert advice to Council, applicants and the community. The service also assesses and determines planning and subdivision applications and defends Council decisions at VCAT.
Strategic Planning	This service prepares, implements and undertakes reviews of the Mansfield Planning Scheme (as required by legislation) by developing reports, strategic studies and other matters for presentation to Council, planning panels and other stakeholders. Review of the Planning Scheme will result in the preparation and processing of planning scheme amendments to implement the Mansfield Planning Scheme's policy framework.
Field Services	Infrastructure maintenance, renewal and upgrades
Parks & Gardens	Maintenance of Council's open space areas such as playgrounds, parks, street trees, roundabouts and public reserves.

Strategic Objective 4: Clean and green: Waste and energy sustainability

- ▶ **Strategy 4.1** Minimise and re-use waste
- ▶ **Strategy 4.2** Adopt and promote energy options that are affordable, self-sustaining & carbon positive

Major Initiatives 2022-23 Budget	2022-23 Actions
1. Community engagement on the transition to recovery of glass and Food Organics and Garden Organics (FOGO) from landfill in accordance with the Recycling and Waste Reduction Act 2020. Works for landfill caps on closed	<ul style="list-style-type: none"> + Extensive consultation completed over service frequency and contracts awarded after collaborative procurement process for existing waste and recycling kerbside collection services and new FOGO (green bin) collection service proposed from July 2024. + Further consultation underway to detail how and where the FOGO service will be delivered.

landfills and continue landfill monitoring program to monitor results from new bores.	+ Ground water bores were installed on all four closed landfills to establish the underlying environmental impacts, if any, of these closed landfills. Contract awarded in the 2023-24FY for the testing and monitoring of these bores.
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Other Initiatives 2022-23 Budget

1. Implementation of the Environment Program - Tree planting and education on carbon credits	<p>+ A Tree Management Plan was developed and presented to Council prior to community consultation. Council's Street Tree Policy was also updated.</p> <p>+ A Tree Planting program is being developed in conjunction with the Cooler Towns project, based on feedback from the community engagement results. The program will include both indigenous and exotic tree plantings, both for biodiversity improvements and urban cooling within townships.</p> <p>+ Following community feedback, planting at Shaws Road Merton has been completed as a short term action, and Stockman's Rise planting is in preparation. Further sites are being formulated from the Cooler Towns consultation results for implementation during 2023-24.</p> <p>+ Education on carbon credits was deferred until 2023-24.</p>
2. Implementation of Climate Action Plan Year One actions	<p>+ Procurement for Street Light Audit completed in collaboration with neighbouring shires. Audit currently underway.</p> <p>+ Proposal developed for Council approval to acquire new Trellis Carbon accounting software for the 2023-24 financial year. We have also been able to gain 2022-23 retrospective data capture at no cost to Council. Trellis Carbon accounting software data transition currently underway.</p> <p>+ Liaison with Landcare in progress on a Carbon Farming Outreach program grant that will assist in delivering training programs in the local community.</p>

Additional Activities 2022-23

Implement year 2 waste strategy actions	<p>+ Council officers were successful in obtaining funding to implement a glass and FOGO separation facility as part of the adopted Resource Recovery Centre Masterplan, which will be undertaken in the 2023-24 FY.</p> <p>+ Extensive community engagement undertaken including an online survey over service type and frequency options.</p> <p>+ Contract awarded for monitoring and sampling ground water bores.</p>
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Service area	Description
Environment	Development of environmental policy and monitoring of compliance with environmental regulations (e.g. EPA). This service coordinates and implements environmental projects and works with other services to improve Council's environmental performance.
Waste Management	Kerbside collection of garbage and recycling from all households and some commercial properties in the Shire. Waste management services include the Resource Recovery Centre and a community education program.

Strategic Objective 5: Prosperous: Industries, businesses, and workforces of the future

- ▶ **Strategy 5.1** Create conditions that enable local businesses & employers to thrive
- ▶ **Strategy 5.2** Enable land use and base infrastructure that stimulates commercial activity

Major Initiatives 2022-23 Budget	2022-23 Actions
1. Progress implementation of the	+ Tender awarded for construction of Heritage Museum, scheduled to

Station Precinct Masterplan priority projects including the Heritage Museum	commence in late 2023. + Community and stakeholder consultation undertaken for the updated Mansfield Station Precinct Masterplan. Final plan to be released for a final round of public consultation in 2023-24.
2. Advocate to the Federal government for high-speed internet capability throughout the Shire	+ Supported Telstra submission for an additional tower in Bonnie Doon area. + Supported the Indi Telecommunications Advisory Group advocacy to telcos and Federal Government. + Invitations to Federal Member Helen Haines to Business and Community Leaders Connectivity Breakfast – NBNCo/ MSC/ MDBA + Participation within Ovens Murray Digital Plan Refresh 2023. + Supported the Local Government Connectivity Planning Project with Telstra.
3. Progress design development work for Lakins Road Industrial Precinct	+ Finalised concept plan and service design in preparation for sale of land. Planning application submitted for the subdivision of the balance allotment.
Other Initiatives 2022-23	
1. Hosting a position on behalf of the Goulburn Broken and North East Integrated Water Management Forums to coordinate the strategic development of the Integrated Water Management IWM projects, plans and opportunities in the region	+ IWM project commenced in November 2022 with the recruitment of a part time regional lead role, currently increasing to a full-time resource. Coordination with stakeholders and participating Councils to identify projects and prepare for grant submissions completed. + A submission was made and grant funding provided for Goughs Bay Water Sensitive Town Plan Feasibility Study. Project has been tendered and contract awarded to Decentralised Water (DCW)
2. Review Community Plans supporting the local economic aspirations of the outlying communities	+ Council officers have prepared and completed both the Bonnie Doon and Merton Plans. + Work for the Goughs Bay Plan will commence in the second half of 2023, and inception meetings held for the Delatite Valley Plan that includes both Merrijig and Sawmill Settlement.
Additional Activities 2022-23	
Commence Planning Scheme Amendment to implement Township Housing Strategy	+ Council officers have submitted the amendment to the Department of Transport and Planning. The department has requested changes to the amendment prior to exhibition.

Service area	Description
Economic Development – Business & Industry	Economic development programs and projects such as contributions to various shows and expos, Outlying community development, business sector support initiatives and product development.
Development Services Management	Strategic and operational management of intelligent land use and infrastructure.

Theme 3: A trusted, effective, and efficient Council

Strategic Objective 6: Council possesses in-house and outsourced capability to meet community expectations

- ▶ **Strategy 6.1** Use and gain knowledge of our community to make good decisions
- ▶ **Strategy 6.2** Building organisational capability through its people

Major Initiatives 2022-23 Budget	2022-23 Actions
1. Progress the Digital Transformation Strategy - Lower North East Regional Council Collaboration	<ul style="list-style-type: none"> + The architecture plan was submitted to meet the funding milestone on 22 December 2022. MOU and Governance structures agreed. + The Planning, Building and Regulatory Services systems replacement project has been rescheduled based on successful application to the Business Acceleration Fund (BAF). The project is now scheduled to be completed by December 2023 instead of 2025. + Tender for Planning, Building and Regulatory Services and Information Management issued in July 2023.
Other Initiatives 2022-23 Budget	
1. Continue to implement the Gender Equality Action Plan (GEAP)	+ The GEAP is being monitored and on target for next reporting in February 2024.
2. Implement the People Plan which outlines the strategies to attract, retain and develop our workforce and respond to changing community expectations	<ul style="list-style-type: none"> + The People Plan was reviewed following the appointment of a new CEO. A new recruitment policy was implemented to streamline recruitment. Strategy day arranged for July for Executive and Senior Leadership Group (SLG). + Leadership workshop held July 2023 for EMT, SLG and Coordinators. + A new on-boarding program was designed and implemented.
Additional Activities 2022-23	
<ul style="list-style-type: none"> + Implement Intranet to provide information to all staff, enabling a customer service culture across the organisation so most staff can assist to answer customer queries and are across major projects from across the organisation. + Ensure staff are trained in the Customer Service Charter across the organisation. 	<ul style="list-style-type: none"> + Regular reporting on staff performance against customer request completion within timeframes implemented, which drives accountability. + Ongoing training of the customer service team on different departments' roles to ensure initial enquiries can be efficiently handled. + Customer Service Charter reviewed and implemented across the organisation.

Service area	Description
Human Resources	Staff recruitment, resourcing, training and development, and Workcover.
Communications	Communications leads engagement with the community through a variety of methods and channels. This includes mainstream and local media, publications, advice, consultation, advertising, speeches, website and social media.
Information Technology	Communications and computer systems, facilities and infrastructure to enable Council staff to deliver services efficiently.

Strategic Objective 7: Financial sustainability and value for money

- ▶ **Strategy 7.1** Increase Council's financial resilience by utilizing opportunities to derive own-source or funding income and optimizing costs of delivery services

Major Initiatives 2022-23 Budget	2022-23 Actions
1. Implementation of the Revenue and Rating Services Review	+ Revenue and Rating Service Review completed and all major recommendations implemented.
Other Initiatives 2022-23 Budget	
1. Continue to grow other revenue through application of relevant grant funding	<p>+ Advocacy for the community has taken place with meetings with representatives of both State and federal Members of Parliament.</p> <p>+ Representing Mansfield interests and Networks and Forums at a local, regional and state level. Prioritising Mansfield to State Government Departments for inclusion in Strategy, Partnership and funding opportunities.</p> <p>+ Success this reporting period with:</p> <ul style="list-style-type: none"> ○ Commencement of a VicHealth Local Government Partnership ○ An invitation to participate as a pilot site for Childlink ○ An invitation to be an initial site for a Social Inclusion Action Group \$213,334 ○ Grant for Central Registration and enrolment Scheme feasibility study \$60,000 ○ Grants for Early Years Workforce Planning and Kindergarten Infrastructure and Services Plan KISP \$82,000 ○ Goughs Bay Water Sensitive Town plan funding received of \$127,500 ○ Funding for an Integrated Water Management Officer \$230,000 ○ Goughs Bay Boat Club Redevelopment \$1.5 million ○ IMPACT Route Rd upgrade funding \$10.5 million ○ Online Planning System funding \$888,000 ○ Funding for Infrastructure Plan to support growth Mansfield Township \$350,000 ○ Flood study of Mansfield Township \$90,000 ○ Regional Planning Hub grant to engage consultants to assist with Planning reports \$45,000 ○ Completion HVAR Stage 1 and commencement of Stage two works ○ Pet Desexing Program \$23,584 ○ Integrated Transport Strategy \$90,000 ○ Water Bore \$89,619 <p>+ Expansion of Wastewater management inspections \$20,000</p>
2. Undertake a Local Laws review	+ Scheduled for 2023-24 Financial Year following restructure of Compliance team.

Service area	Description
Financial Services	Management of Council's investments and finances, payment of salaries and wages, payment of creditor invoices, budget preparation, quarterly finance reporting to Council and annual statutory reporting to governing bodies. The Victorian Grants Commission funding support from the Commonwealth government for Council services is reported as part of the Finance service.
Revenue Services	This service raises and collects property rates and charges and other sundry debtor invoices, and co-ordinates the valuation of properties throughout the municipality.

Strategic Objective 8: A consultative Council that represents and empowers its community

- ▶ **Strategy 8.1** Increase community trust in Council to make informed decisions with ‘no surprises’
- ▶ **Strategy 8.2** Develop capacity and capability to advocate powerfully for the most important interests of the Mansfield community

Major Initiatives 2022-23 Budget	2022-23 Actions
1. Continue to implement the community engagement framework and use of the Engage platform	<ul style="list-style-type: none"> + The community engagement process has continued to be used for projects including the High St carpark, Howqua public boat ramp, Sustainable Tourism Plan, and the waste survey of bin collection frequency, to seek a wide range of community views, with positive outcomes. + In the annual Local Government Community Satisfaction Survey our Consultation and Engagement score increased from 59 to 60, which is 7 points higher than other small rural councils and 8 points higher than state-wide. This is a strong result in a focus area at a time when many Councils and their service areas, including Mansfield Shire, saw a decline over the past 12 months. + Examples of strong community engagement in 2022-23 included surveys on red bin collection frequency (333 contributions), Howqua public boat ramp (131), and Budget Ideas (70). + The 2023-24 Budget engagement process received 102 submissions from community members, many of which were then able to be incorporated into the Budget for adoption.
2. Continue to implement the Statutory Planning Service Review roadmap and advocate for funding to improve online planning systems	<ul style="list-style-type: none"> + Successful grant application and funding received for the online planning system. Tender awarded to implement GreenLight in 2023-24. + Progress against the service review roadmap reported to Council, with all identified actions implemented.
Other Initiatives 2022-23 Budget	
1. Monthly CEO organisational performance reporting	<ul style="list-style-type: none"> + CEO monthly reports are delivered to the community via the monthly Council meetings as a standing agenda item and include updates from across the organisation on progress and performance against a range of indicators and initiatives.
Additional Activities 2022-23	
+ Advocate at all levels of government for Projects, programs and activities that will support, develop and optimise the best interests of the Mansfield community	<ul style="list-style-type: none"> + Lake Eildon Masterplan - Goughs Bay Water Sensitive Town Plan Feasibility Study underway. Design of the Skyline Road part of the Lake Eildon Master plan has progressed in partnership with Murrindindi Shire. + Goughs Bay Boat Club Redevelopment - Funding was received and project officer engaged by Goughs Bay Boat Club and delivery commenced. Council supported the Goughs Bay Boat Club with the funding application for the redevelopment of the premises which when completed will provide upgraded facilities for residents and visitors to the area to enjoy, making this a key site on the lakefront of Lake Eildon. + Mansfield Emergency Services Precinct – Concept design and feasibility completed and funding application made to the Disaster Ready Fund, together with advocacy to both State and Federal government representatives. Funding allocated by Council to undertake further design on the precinct.

	<ul style="list-style-type: none"> + Lakins Road Industrial Precinct - Design and service plans progressed in preparation for sale of land. + Lords Reserve – Funding awarded for upgrade of oval drainage. Seeking funding opportunities for the sporting pavilion, with detailed design being undertaken to support these applications. + Redevelopment of the Mansfield Resource Recovery Centre - Seeking funding opportunities for upgrade works, with funding approved for initial works for FOGO and glass separation. + Botanic Park Master Plan - Presented to Council in April 2023 and out for public consultation, prior to adoption by Council in 2023-24. Outdoor Activation Fund grant enabled the Master Plan to be progressed and shade sails to be installed in the park, which was initiated from community feedback. + Station Precinct Master Plan – Tender awarded for the Mansfield Heritage Museum construction and update of the Master Plan commenced in response to stakeholder and community feedback. Updated Master Plan to go to Council for adoption in 2023-24 in support of further funding opportunities.
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Service area	Description
Customer Service and Records	This service is our main customer interface with the community at the Municipal Office and Visitors Information Centre. Services include receipting, VicRoads services, records and information management.
Executive Management	Strategic and operational management.
Council	Councillor remuneration, election procedures and council induction and training programs.
Governance	Statutory and corporate support for executive management and Councillors, Freedom of Information, and social media management.
Risk Management	Identification and management of key organisation risks, fraud control, general insurance, the Audit & Risk Advisory Committee, internal audit, and occupational health and safety.

Service Performance Indicators

Aquatic Facilities

Indicator Measure	2020	2021	2022	2023	Material Variations and Comments
Health inspections of aquatic facilities	1.00	1.00	2.00	1.00	Satisfactory inspection result and the observed non compliances were satisfied by lodgment of evidence of issues having been addressed by e-mail. Additional inspection not warranted this year.
Utilisation of aquatic facilities	1.82	1.26	0.87	0.91	
Cost of aquatic facilities	\$9.12	\$13.42	\$26.22	\$21.40	In 2021-22 there had been some forced closures for COVID outbreaks which meant costs accrued by no income. In 2022-23 there were no forced closures due to outbreaks.

Animal Management

Indicator Measure	2020	2021	2022	2023	Material Variations and Comments
Time taken to action animal management requests	1.14	1.03	1.23	1.17	
Animals reclaimed	80.00%	84.78%	86.99%	82.42%	
Animals rehomed	16.36%	14.13%	12.20%	17.58%	Good publicity by Council of available pets for rehoming through Councils Facebook page which provided good reach to community and there has been good demand for pets post COVID.
Cost of animal management service per population	\$18.97	\$17.90	\$23.90	\$20.01	The Domestic Animal Management Plan was reviewed in 2021-22 resulting in higher costs that year. This year it is more in line with previous cost for service.
Animal management prosecutions	0.00%	0.00%	0.00%	0.00%	

Food Safety

Indicator Measure	2020	2021	2022	2023	Material Variations and Comments
Time taken to action food complaints	1.80	2.00	1.83	2.38	Majority of complaints were actioned within 3 days of receipt. There were difficulties actioning some complaints due to limited hours of business operations. Results remain at very low levels.
Food safety assessments	93.53%	72.93%	76.16%	85.52%	Numbers are returning to pre COVID levels.
Cost of food safety service	\$399.63	\$329.15	\$358.35	\$371.06	
Critical and major non-compliance outcome notifications	31.25%	97.37%	94.29%	97.37%	

Governance

Indicator Measure	2020	2021	2022	2023	Material Variations and Comments
Council decisions made at meetings closed to the public	8.14%	9.36%	9.09%	14.29%	Achievement in the capital works program has required more tenders to be awarded than previous years. Due to the commercial nature these reports must be done in confidential, however most resolutions are made public after they have been made.
Satisfaction with community consultation and engagement	54.00	56.00	59.00	60.00	
Councillor attendance at council meetings	88.42%	96.25%	96.92%	92.50%	
Cost of elected representation	\$41,459.60	\$42,073.34	\$45,418.20	\$52,224.80	Slight increase due to one off recruitment costs.
Satisfaction with Council decisions	48.00	56.00	57.00	54.00	

Libraries

Indicator Measure	2020	2021	2022	2023	Material Variations and Comments
Physical library collection usage	2.68	2.27	2.79	2.32	The collection usage has been impacted by the library refurbishment project, with the Library closed for six weeks and relocated to another less central building for three months.
Recently purchased library collection	70.13%	71.69%	45.34%	42.96%	
Active library borrowers in municipality	17.28%	15.10%	13.50%	12.45%	
Cost of library service per population	\$30.93	\$32.29	\$33.99	\$37.67	There were additional costs associated with the library refurbishment. Additional staffing was required for the relocation to the temporary location. There were also additional IT expenses associated with the refurbishment.

Maternal and Child Health (MCH)

Indicator Measure	2020	2021	2022	2023	Material Variations and Comments
Infant enrolments in the MCH service	101.67%	100.00%	101.54%	104.05%	Shows net migration to area with children born elsewhere.
Cost of the MCH service	\$76.72	\$71.81	\$78.13	\$76.40	Very slight decrease in cost for MCH service including Enhanced MCH.
Participation in the MCH service	83.65%	87.23%	83.01%	85.85%	Increase in participation has been noted.
Participation in the MCH service by Aboriginal children	90.91%	83.33%	100.00%	100.00%	Excellent participation consistent with previous year.
Participation in 4-week Key Age and Stage (KAS) visit	108.33%	97.30%	106.15%	106.76%	Shows net migration to area with children born elsewhere.

Roads

Indicator Measure	2020	2021	2022	2023	Material Variations and Comments
Sealed local road requests	14.82	14.56	16.94	53.87	Due to bad weather and flooding in 2022-23 sealed roads were affected hence more sealed road requests. The result appears to have been affected by condition issues on roads managed by DoT but reported to Council due to confusion over the relevant road manager.
Sealed local roads maintained to condition standards	94.25%	89.27%	82.43%	82.81%	
Cost of sealed local road reconstruction	\$0.00	\$0.00	\$44.86	\$169.76	This result includes the Heavy Vehicle Access Route Stage 1. The overall cost of materials has also increased since the COVID pandemic.
Cost of sealed local road resealing	\$0.00	\$8.27	\$5.24	\$8.34	The biggest element in sealing is bitumen which is a type of petroleum, and the price of petroleum has increased every month. The increase in 2022-23 is also associated with the timing of resealing works due to the collaborative tender and associated carryover of 2021-22 works.
Satisfaction with sealed local roads	49.00	57.00	57.00	49.00	The result appears to have been affected by condition issues on roads managed by DoT. Feedback from the community has highlighted this issue.

Statutory Planning

Indicator Measure	2020	2021	2022	2023	Material Variations and Comments
Time taken to decide planning applications	70.00	59.00	61.00	97.00	There has been a significant increase in the number of applications and complexity, therefore timeframes for decisions has returned to an expected range. New software and increased resourcing will assist in returning the time taken to pre 2022-23 levels.
Planning applications decided within required time frames	48.26%	67.30%	91.03%	65.99%	There has been a significant increase in the number of applications and complexity, therefore timeframes for decisions has returned to an expected range. Previous data from 2021-22 was an outlier. Additional resources allocated in the 2023-24 budget will assist in improving this.
Cost of statutory planning service	\$2,410.37	\$2,970.04	\$1,965.28	\$1,664.95	Cost of service has decreased as the increase in applications was not matched with increased resources. The result is positive in terms of cost of service, the timeframes have been affected by this gap.
Council planning decisions upheld at VCAT	0.00%	100.00%	100.00%	0.00%	No planning decisions were determined at VCAT

Waste Collection

Indicator Measure	2020	2021	2022	2023	Material Variations and Comments
Kerbside bin collection requests	47.24	44.35	53.96	47.01	The decrease in percentage bin collection requests mainly accounts to the increase in number of residents of the shire.
Kerbside collection bins missed	2.88	2.41	3.39	2.74	The decrease in kerbside collection bins missed percentage mainly accounts to the increase in number of residents of the shire. However, the previous year's data also recorded a higher missed collection rate due to reported increased staff turnover and recruitment challenges experienced by the contractor.
Cost of kerbside garbage bin collection service	\$168.58	\$166.03	\$193.11	\$207.73	
Cost of kerbside recyclables collection service	\$106.67	\$110.65	\$117.18	\$131.11	The 12% increase in costs accounts to the increased diversion rate of recyclables from the kerbside collection waste. Also, there have been some major external cost drivers that are out of our control such as inflationary pressures on input costs, Victorian EPA landfill levies, landfill operator rates, and fuel costs
Kerbside collection waste diverted from landfill	35.58%	35.02%	33.92%	32.45%	

Governance, Management and Other Information

Council must perform its role having regard to the overarching governance principles as set out in the Local Government Act 2020 as follows:

- ▶ Council decisions are to be made and actions taken in accordance with relevant law.
- ▶ Priority is to be given to achieving the best outcomes for the municipal community including future generations.
- ▶ The economic, social and environmental sustainability of the municipal district, including mitigation and planning for climate change risks, is to be promoted.
- ▶ The municipal community is to be engaged in the strategic planning and strategic decision-making.
- ▶ Innovation and continuous improvement are to be pursued.
- ▶ Collaboration with other Councils and Governments and statutory bodies is to be sought.
- ▶ The ongoing financial viability of the Council is to be ensured.
- ▶ Regional, state and national plans and policies are to be taken into account in strategic planning and decision-making.
- ▶ The transparency of Council decisions, actions and information is to be ensured.

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.

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

Delegated Committees

Mansfield Shire Council had no delegated committees for the 2022-23 year.

Council Meetings

Council conducts open public meetings monthly. Members of the community are welcome to attend these meetings and observe via Council's YouTube channel.

Council meetings also provide the opportunity for community members to submit a question to the Council, make a submission or speak to an item.

The following table provides a summary of Councillors' attendance at Council meetings for the 2022-23 year.

	Ordinary	Additional
Cr James Tehan	11	3
Cr Steve Rabie	11	5
Cr Mark Holcombe	11	4
Cr Paul Sladdin	9	5
Cr Rohan Webb	10	5
Total Meetings	11	5

NB. Cr Holcombe attended 4 out of 5 additional meetings as he experienced technical difficulties when trying to join the 6 June 2023 meeting and was unable to participate.

At the 22 November Council meeting, Cr James Tehan and Cr Steve Rabie were elected Mayor and Deputy Mayor respectively.

The following table provides a summary of Councillors' 2022-23 Allowances. The allowances will be adjusted annually in line with the Victorian Independent Remuneration Tribunal and Improving Parliamentary Standards Act 2019.

Councillor Allowances 2022-23 (including superannuation guarantee)

Cr James Tehan (Mayor)	\$75,051.84
Cr Steve Rabie (Deputy Mayor)	\$33,349.63
Cr Mark Holcombe	\$29,036.15
Cr Paul Sladdin	\$24,485.41
Cr Rohan Webb	\$24,485.41
Total	\$186,408.44

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 their 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.

The expenses are broken down into the following specific categories:

- + Stationery
- + Meeting
- + Vehicle/Travel
- + Information Technology & Communication
- + Training and Professional Development
- + Functions & Receptions

During the reporting year the financial expenditure associated with the provision of resources and other support of Councillors including their attendance at local government events and civic functions is detailed in the following table.

Councillor	Stationery	Meeting Expenses	IT & Comms	Training	Functions	Total
Cr James Tehan	\$15.69	\$595.85	\$314.92	-	-	\$926.46
Cr Steve Rabie	-	\$1472.05	\$565.22	\$109.00	\$154.89	\$2301.16
Cr Mark Holcombe	-	\$945.57	\$565.22	-	\$154.89	\$1665.68
Cr Paul Sladdin	-	\$1535.62	\$565.22	\$543.52	\$180.91	\$2825.27
Cr Rohan Webb	-	\$945.57	\$565.55	-	\$180.91	\$1692.03
Total	\$15.69	\$5,494.66	\$2,575.80	\$652.52	\$671.60	\$9,410.60

NB. Functions includes community or civic events..

Management of Audit and Risk

Audit and Risk Committee

In accordance with section 53 of the Local Government Act 2020, Council has an established audit committee, with the elected Chair being an independent member.

The Mansfield Shire Audit and Risk Committee's role is to oversee and monitor the effectiveness of Council in carrying out its responsibilities for accountable financial management, good corporate governance, maintaining an effective system of internal control and risk management, and fostering an ethical environment.

The Audit and Risk Committee operates with a staggered rotation of members to ensure continuity of knowledge and experience. Council's Audit and Risk Committee in 2022-23 comprised of three independent members: Peter Johnston (Chair), Jane Watson, and Moh Lee Ng, and two Councillor representatives: Mayor Cr James Tehan and Cr Mark Holcombe.

The Committee meets four times per year. The Internal Auditor, Chief Executive Officer, General Manager Infrastructure and Planning, General Manager Business and Performance, Executive Manager Health and Community Wellbeing, and Coordinator Governance and Risk attend all meetings. Other management representatives attend as required. An open invitation is provided to all Councillors to attend all meetings.

The External Auditor attends in May and August each year to present the audit plan and independent audit report.

Any recommendations and the minutes from each Audit and Risk Committee meeting are subsequently reported to and considered by Council.

Internal Audit

Council's internal audit function provides independent and objective assurance that the appropriate processes and controls are in place across Council.

Council contracts internal audit services under a three year arrangement. The current service provider is AFS & Associates.

A risk based three year Internal Audit Plan is revised annually to adapt the plan to Council's areas of high and emerging risk. The review process considers Council's risk framework, the Council Plan, the impact of any change on operations, systems, the business or legislative environments, prior audit coverage and outcomes and management input. The Internal Audit Plan is reviewed and approved by the Audit and Risk Committee annually.

The internal auditor attends each Audit and Risk Committee meeting to report on the status of the Internal Audit Plan, provide an update on the implementation of audit recommendations and to present findings of completed reviews. All audit issues identified are risk rated.

During 2022-23, the following internal audits were undertaken by AFS & Associates:

- + Statutory Planning
- + Procurement
- + Infrastructure Asset Management
- + Information Privacy and Records Management
- + Cyber Security Strategy and Governance (replacing Home and Community Care).

External Audit

Council is externally audited by the Victorian Auditor-General. For the 2022-23 financial year the annual external audit of Council's Financial Statements and Performance Statement was conducted by the Victorian Auditor-General's Office.

The external auditors attended the September 2022 and May 2023 Audit and Risk Committee meetings to present the annual audit plan and Independent Audit Report.

The external audit management letter and responses are also provided to the Committee.

Governance and Management Checklist

Governance and Management Item	Assessment	YES/NO
1. Community Engagement Policy Outlines Council's commitment to engaging with the community on matters of public interest	Adopted in accordance with section 55 of the Act. Date of adoption: 16 February 2021	Yes
2. Community Engagement Guidelines Assists staff to determine when and how to engage with the community.	Guidelines (online toolkit) Date of operation of current guidelines: 30 June 2022	Yes
3. Financial Plan Outlines the financial and non-financial resources required for at least the next 10 financial years.	Adopted in accordance with Section 91 of the Act Date of adoption: 19 October 2021	Yes
4. Asset Plan Sets out the key asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years.	Adopted in accordance with Section 92 of the Act Date of adoption: 28 June 2022	Yes
5. Revenue and Rating Plan Sets out the rating structure of Council to levy rates and charges.	Adopted in accordance with Section 93 of the Act Date of adoption: 22 June 2021 Revised: 27 June 2021	Yes
6. Annual budget Sets out the services to be provided and initiatives to be undertaken during the next 12 months, and the funding and other resources required.	Adopted in accordance with Section 94 of the Act Date of adoption: 27 June 2023	Yes
7. Risk policy Outlines Councils' commitment and approach to minimizing the risk of fraud.	Current policy in operation Date of adoption: 25 June 2019	Yes
8. Fraud policy Outlines Council's commitment and approach to minimising the risk of fraud.	Current policy in operation Date of adoption: 21 December 2021	Yes
9. Municipal emergency management plan Plan under Section 60ADB of the Emergency Management Act 2013 for emergency prevention, response and recovery.	Prepared and maintained in accordance with section 60ADB of the Emergency Management Act 2013 Date of Current Operation Plan: 10 August 2021 The 2021-2024 MEMP lodged with region for review: 14 September 2021	Yes
10. Procurement policy Policy under section 108 of the Act outlining the principles, processes and procedures that will apply to the purchase of goods and services by Council.	Adopted in accordance with Section 108 of the Act Date of adoption: 19 September 2023	Yes
11. Business continuity plan Sets out the actions that will be taken to ensure that key services continue to operate in the event of a disaster.	Current plan in operation Date of operation: 15 March 2022 Currently under review	Yes
12. Disaster recovery plan Sets out the actions that will be undertaken to recover and restore business capability in the event of disaster.	Current plan in operation Date of operation: 5 April 2022	Yes

Governance and Management Item	Assessment	YES/NO
13. Risk management framework Outlines Council's approach to managing risks to Council's operations.	Current framework in operation Date of commencement of current framework: 25 June 2019	Yes
14. Audit and Risk Committee Advisory committee of Council under Section 53 of the Act whose role is to oversee the integrity of Council's financial reporting, processes to manage risks to Council's operations and compliance with applicable legal, ethical, and regulatory requirements.	Established in accordance with Section 53 of the Act Date of establishment: 15 April 2003 Audit and Risk Committee Charter and Annual Workplan is reviewed annually. 2022-2023 Meetings: 14 September 2022, 21 November 2022, 27 February 2023 and 22 May 2023	Yes
15. Internal audit Independent accounting professionals engaged by the council to provide analyses and recommendations aimed at improving Council's governance, risk and management controls.	Engaged Date of engagement: 6 September 2019 Audit contract extension for additional two years till: 30 June 2024	Yes
16. Performance reporting framework A set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 98 of the Act.	Current framework in operation Date of commencement of current framework: 21 December 2022	Yes
17. Council Plan report Reviews the performance of Council against the Council Plan, including the results in relation to the strategic year indicators, for the first six months of the financial year.	Current report Council Plan report to Council: 28 June 2022 Dates of reports presented: • Reported 3 October 2022 • Reported 14 April 2023	Yes
18. Quarterly budget reports Quarterly reports to Council under Section 97 of the Act, comparing actual and budgeted results and an explanation of any material variations.	Quarterly reports presented to the Council in accordance with Section 97(1) of the Act Dates of reports presented: • 18 October 2022 • 31 December 2022 • 21 February 2023 • 31 March 2023	
19. Risk reporting Six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies.	Risk reports prepared and presented Reports prepared and presented. Presented to Audit and Risk Committee at four meetings: • 14 September 2022 • 21 November 2022 • 22 May 2023 • 27 February 2023	Yes
20. Performance reporting Six-monthly reports of indicators measuring the results against financial and non-financial performance, including the performance indicators referred to in Section 98 of the Act.	Performance reports prepared LGPRF presented annually in the annual report. Report prepared internally for first six months. Presented to Council 18 April 2023 Mid-year review	Yes
21. Annual report Annual report under sections 98, 99 and 100 of the Act containing a report of	Annual report presented at a meeting of Council in accordance with Section 100 of the Act	Yes

Governance and Management Item	Assessment	YES/NO
operations and audited financial and performance statements.	Date statements presented: 18 October 2022	
22. Councillor Code of Conduct Code under Section 139 of the Act setting out the standards of conduct to be followed Councillors and other matters.	Code of conduct reviewed and adopted in accordance with Section 139 of the Act Date reviewed: 16 February 2021	Yes
23. Delegations Sets out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff.	Delegations reviewed in accordance with Section 11(7) of the Act and a register kept in accordance with Sections 11(8) and 47(7) of the Act Council meetings 21 March 2023 & 22 June 2023	Yes
24. Meeting procedures Governance Rules governing the conduct of meetings of Council and delegated committees.	Governance Rules adopted in accordance with section 60 of the Act Date Governance Rules adopted: 1 September 2020 Date reviewed: 16 August 2022	Yes

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



James Tehan

Mayor

17 October 2023



Kirsten Alexander

Chief Executive Officer

17 October 2023

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 at 33 Highett Street, Mansfield:

- + 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 a Councillor or any member of Council staff in the previous 12 months.
- + Minutes of council meetings held in the previous 12 months are available for public inspection, other than those agendas and minutes relating to part of a meeting which was closed to members of the public under Section 66 of the Local Government Act 2020 and are confidential information within the meaning of Section 3 of the Local Government Act 2020.
- + A register of delegations kept under Section 11(8) of the Local Government Act 2020.
- + A document containing details of all leases involving land which were entered into by the Council as lessor, including the lessee and the terms of 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 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.

Contracts

Council awarded 7 tenders in 2022-23 covering the following service categories:

- + Capital Works
- + Field Services
- + Waste

Disability Action Plan

The Disability Act Victoria 2006 outlines general provisions, including planning for individual access to services and provides the framework for a 'Whole of Government and Whole of Community' approach to building community inclusion for people with disabilities.

Council's Access and Inclusion Charter acknowledges Council's commitment to valuing every community member and considering any barriers that may exist to their participation.

Freedom of Information

In accordance with section 7(4AA)(a) and 7(4AA)(b) of the Freedom of Information Act 1982, Council is required to publish certain statements in this annual report or separately such as on its website, concerning its functions and information available. Council has chosen to publish the statements separately however provides the following summary of the application and operation of the Freedom of Information Act 1982.

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

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

Requests for documents in the possession of Council should be addressed to the Freedom of Information Officer. Requests can also be lodged online or by email. Access charges may also apply once documents have been processed and a decision on access is made (e.g., photocopying and search retrieval charges).

In 2022-23 fifteen Freedom of Information requests were received by Council. No appeals were received against the Freedom of Information Officer's decisions.

Further information regarding FOI can be found at [ovic.gov.au](https://www.ovic.gov.au) and on Council's website.

Domestic Animal Management Plan

Council's Domestic Animal Management Plan 2021-25 was endorsed by Council on 18 October 2022. The Plan, operating in conjunction with the Amenity, Environment and Community Protection Local Law 2017, provides a clear framework for the keeping of animals within the Shire.

Council's Local Laws Officers are required to undergo training in the following:

- + Certificate IV Animal Control and Regulation
- + Dog Behaviour Assessment Workshop
- + DELWP (Department of Environment, Land, Water and Planning) training for auditing domestic animal businesses
- + Firearms safety
- + Offences and Enforcement on Roads
- + Canine Anatomy and Identification
- + Pound Management
- + Mental Health and First Aid.

Council uses a range of resources to reunite lost animals with their owners and has seen high success rates in this area by including the use of social media. Social media has proved effective to encourage pet owners to microchip and register animals.

Food Act Ministerial Directions

In accordance with section 7E of the Food Act 1984, Council is required to publish a summary of any Ministerial Directions received during the financial year. No such Ministerial Directions were received by Council during the financial year.

Protected Disclosure Procedures

The Protected Disclosure Act 2012 aims to ensure openness and accountability in government by encouraging people to disclose improper conduct within the public sector and provide protection for people who make disclosures.

Council's Public Interest Disclosures Policy was endorsed in April 2020 and updated in 2022. It ensures Council's compliance against the Public Interest Disclosures Act, including its associated regulations and provides a framework for reporting public interest disclosures of corrupt or improper conduct as defined in the Act.

There were no disclosures notified to Council during the 2022-23 year.

Road Management Act Ministerial Direction

In accordance with section 22 of the Road Management Act 2004, Council must publish a copy or summary of any Ministerial direction in its annual report. No such Ministerial Directions were received by Council during the 2022-23 financial year.

Infrastructure and Development Contributions

In accordance with section 46GM and 46QD of the Planning and Environment Act 1987, a council that is a collecting or development agency must prepare and give a report to the Minister for Planning on infrastructure and development contributions including levies and works in kind. The report must be published in the annual report.

Mansfield Shire Council is not a collecting or development agency.

Mansfield Shire Council

Annual Financial Report

For the year ended 30 June 2023

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Understanding the Financial Report

Council's Financial Report shows how we performed financially during 2022-23 and the overall position at the end of the financial year (30 June 2023).

We present our Financial Report in accordance with the Australian Accounting Standards. Mansfield Shire Council is a 'not for profit' organisation and as such some of the generally recognised terms used in private sector company reports may not be appropriate to Council's reports.

What is Contained in the Annual Financial Report

The Financial Report is made up of two main sections, namely the statements and the notes. There are five statements and ten notes.

These statements and notes are prepared by Council staff, examined by Council's Audit and Risk Committee and by Council. They are then audited by the Victorian Auditor-General. The five Statements are:

1. Comprehensive Income Statement
2. Balance Sheet
3. Statement of Changes in Equity
4. Statement of Cash Flows
5. Statement of Capital Works

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

Certification of the Financial Statements

In my opinion, the accompanying financial statements have been prepared in accordance with the *Local Government Act 2020*, the *Local Government (Planning and Reporting) Regulations 2020*, the Australian Accounting Standards and other mandatory professional reporting requirements.



Julie Williams, CPA

Principle Accounting Officer

5 December 2023

In our opinion, the accompanying financial statements present fairly the financial transactions of Mansfield Shire Council for the year ended 30 June 2023 and the financial position of the Council as at that date.

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

We have been authorised by the Council and by the Local Government (Planning and Reporting) Regulations 2020 to certify the financial statements in their final form.



James Tehan

Councillor

5 December 2023



Mark Holcombe

Councillor

5 December 2023



Kirsten Alexander

Chief Executive Officer

5 December 2023

Victorian Auditor-General's Office Report

VAGO

Victorian Auditor-General's Office

Independent Auditor's Report

To the Councillors of Mansfield Shire Council

Opinion I have audited the financial report of Mansfield Shire Council (the council) which comprises the:

- balance sheet as at 30 June 2023
- 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.

In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2023 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 4 of the *Local Government Act 2020*, the *Local Government (Planning and Reporting) Regulations 2020* and applicable Australian Accounting Standards.

Basis for Opinion I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

My independence is established by the *Constitution Act 1975*. 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 *Code of Ethics for Professional Accountants* (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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other Information The Councillors of the council are responsible for the Other Information, which comprises the information in the council's annual report for the year ended 30 June 2023, but does not include the financial report and my auditor's report thereon.

My opinion on the financial report does not cover the Other Information and accordingly, I do not express any form of assurance conclusion on the Other Information. However, in connection with my audit of the financial report, my responsibility is to read the Other Information and in doing so, consider whether it is materially inconsistent with the financial report or the knowledge I obtained during the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude there is a material misstatement of the Other Information, I am required to report that fact. I have nothing to report in this regard.

Victorian Auditor-General's Office Report continued

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, the <i>Local Government Act 2020</i> and the <i>Local Government (Planning and Reporting) Regulations 2020</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	<p>As required by the <i>Audit Act 1994</i>, 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.</p> <p>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:</p> <ul style="list-style-type: none"> • 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.

Victorian Auditor-General's Office Report continued

Auditor's responsibilities for the audit of the financial report (continued)	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.
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MELBOURNE
6 December 2023



Travis Derricoll
as delegate for the Auditor-General of Victoria

Comprehensive Income Statement

For the year ended 30 June 2023

	Notes	2023 \$ '000	2022 \$ '000
Income / Revenue			
Rates and charges	3.1	16,744	15,132
Statutory fees and fines	3.2	568	479
User fees	3.3	1,000	1,295
Grants - operating	3.4	7,443	7,758
Grants - capital	3.4	787	1,609
Contributions - monetary	3.5	200	102
Contributions - non monetary	3.5	2,785	3,124
Other income	3.7	1,059	370
Total income / revenue		30,586	29,869
Expenses			
Employee costs	4.1	11,001	10,934
Materials and services	4.2	9,980	9,467
Depreciation	4.3	4,082	4,041
Amortisation - Right of use assets	4.4	66	54
Bad and doubtful debts - allowance for impairment losses	4.6	6	-
Borrowing costs	4.5	208	100
Net loss on disposal of property, infrastructure, plant and equipment	3.6	972	400
Other expenses	4.6	356	331
Total expenses		26,671	25,327
Surplus/(deficit) for the year		3,915	4,542
Other comprehensive income:			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation increment	6.1	15,615	15,409
Total items which will not be reclassified subsequently to the operating result		15,615	15,409
Total other comprehensive income		15,615	15,409
Total comprehensive result		19,530	19,951

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

Balance Sheet

For the year ended 30 June 2023

	Notes	2023 \$ '000	2022 \$ '000
Assets			
Current assets			
Cash and cash equivalents	5.1	4,012	8,637
Trade and other receivables	5.1	1,901	3,005
Other financial assets	5.1	16,370	7,317
Inventories	5.2	12	25
Other assets	5.2	271	130
Total current assets		22,566	19,114
Non-current assets			
Trade and other receivables	5.1	–	9
Property, infrastructure, plant and equipment	6.1	252,701	231,316
Right-of-use assets	5.8	3,227	3,265
Total non-current assets		255,928	234,590
Total assets		278,494	253,704
Liabilities			
Current liabilities			
Trade and other payables	5.3	3,193	1,663
Trust funds and deposits	5.3	1,050	1,419
Unearned income/revenue	5.3	5,097	2,128
Provisions	5.5	1,917	1,937
Interest-bearing liabilities	5.4	484	416
Total current liabilities		11,741	7,563
Non-current liabilities			
Provisions	5.5	1,974	1,006
Interest-bearing liabilities	5.4	4,067	3,953
Total non-current liabilities		6,041	4,959
Total liabilities		17,782	12,522
Net assets		260,712	241,182
Equity			
Accumulated surplus		84,488	81,445
Reserves	9.1	176,224	159,737
Total Equity		260,712	241,182

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

Statement of Changes in Equity

For the year ended 30 June 2023

	Note	Total \$ '000	Accumulated Surplus \$ '000	Revaluation Reserves \$ '000	Other Reserves \$ '000
2023					
Balance at beginning of the financial year		241,182	81,445	159,738	(1)
Surplus/(deficit) for the year		3,915	3,915	–	–
Other comprehensive income					
Net asset revaluation increment	6.1	15,615	–	15,615	–
Other comprehensive income		15,615	–	15,615	–
Total comprehensive income		19,530	3,915	15,615	–
Transfers to other reserves	9.1(b)	–	(872)	–	872
Transfers from other reserves	9.1(b)	–	–	–	–
Balance at end of the financial year		260,712	84,488	175,353	871
2022					
Balance at beginning of the financial year		221,231	76,634	144,329	268
Surplus/(deficit) for the year		4,542	4,542	–	–
Other comprehensive income					
Net asset revaluation increment	6.1	15,409	–	15,409	–
Other comprehensive income		15,409	–	15,409	–
Total comprehensive income		19,951	4,542	15,409	–
Transfers to other reserves	9.1(b)	–	332	–	(332)
Transfers from other reserves	9.1(b)	–	(63)	–	63
Balance at end of the financial year		241,182	81,445	159,738	(1)

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 2023

	Notes	2023 Inflows/ (Outflows) \$ '000	2022 Inflows/ (Outflows) \$ '000
Cash flows from operating activities			
Statutory fees and fines		568	479
Other receipts		1,384	393
Rates and charges		16,880	15,029
User fees		1,000	1,295
Grants - operating		10,365	8,103
Grants - capital		834	1,804
Contributions - monetary		200	102
Interest received		531	65
Trust funds and deposits taken		(369)	58
Employee costs		(10,950)	(11,002)
Materials and services		(8,461)	(9,784)
Short-term, low value and variable lease payments		(3)	(8)
Other payments		543	98
Net cash provided by/(used in) operating activities	9.2	12,522	6,632
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment	6.1	(8,040)	(7,876)
Proceeds from sale of property, infrastructure, plant and equipment		-	160
Payments for investments		(9,053)	-
Proceeds from sale of investments		-	2,991
Net cash provided by/(used in) investing activities		(17,093)	(4,725)
Cash flows from financing activities			
Finance costs		(208)	(100)
Proceeds from borrowings		182	2,439
Repayment of lease liabilities		(28)	(1,641)
Net cash flow provided by/(used in) financing activities		(54)	698
Net Increase (decrease) in cash and cash equivalents		(4,625)	2,605
Cash and cash equivalents at the beginning of the financial year		8,637	6,032
Cash and cash equivalents at the end of the financial year		4,012	8,637

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 2023

	2023 \$ '000	2022 \$ '000
Property		
Land	144	1,305
Total land	<u>144</u>	<u>1,305</u>
Buildings	891	495
Total buildings	<u>891</u>	<u>495</u>
Total property	<u>1,035</u>	<u>1,800</u>
Plant and equipment		
Plant, machinery and equipment	499	503
Fixtures, fittings and furniture	–	–
Computers and telecommunications	5	35
Library books	31	93
Total plant and equipment	<u>535</u>	<u>631</u>
Infrastructure		
Roads	5,513	4,745
Bridges	252	372
Footpaths and cycleways	75	63
Drainage	100	36
Recreational, leisure and community facilities	265	227
Off street car parks	108	–
Total infrastructure	<u>6,313</u>	<u>5,443</u>
Total capital works expenditure	<u>7,883</u>	<u>7,874</u>
Represented by:		
New asset expenditure	410	1,327
Asset renewal expenditure	5,174	4,251
Asset upgrade expenditure	2,299	2,296
Total capital works expenditure	<u>7,883</u>	<u>7,874</u>

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

Notes to the Financial Statement

For the year ended 30 June 2023

Note 1 – Overview

Introduction

The Mansfield Shire Council was established by an Order of the Governor in Council on 28 October 2002 and is a body corporate. The Council's main office is located at 33 Highett Street, Mansfield.

Statement of compliance

These financial statements are a general purpose financial report that consists of a Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, Statement of Capital Works and Notes accompanying these financial statements. The general purpose financial report complies with Australian Accounting Standards (AAS), other authoritative pronouncements of the Australian Accounting Standards Board, the Local Government Act 2020, and the Local Government (Planning and Reporting) Regulations 2020.

The Council is a not-for-profit entity and therefore applies the additional AUS paragraphs applicable to a not-for-profit entity under the Australian Accounting Standards.

Significant accounting policies

1.1 Basis of accounting

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported. Accounting policies applied are disclosed in sections where the related balance or financial statement matter is disclosed.

The accrual basis of accounting has been used in the preparation of these financial statements, except for the cash flow information, 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.

The financial statements are based on the historical cost convention unless a different measurement basis is specifically disclosed in the notes to the financial statements.

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.

The financial statements have been prepared on a going concern basis. The financial statements are in Australian dollars. The amounts presented in the financial statements have been rounded to the nearest thousand dollars unless otherwise specified. Minor discrepancies in tables between totals and the sum of components are due to rounding.

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)
- + whether or not AASB 1059 Service Concession Arrangements: Grantors is applicable
- + other areas requiring judgements

Notes to the Financial Statement

For the year ended 30 June 2023

Note 1 – Overview continued

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

Goods and Services Tax (GST)

Income and expenses are recognised net of the amount of associated GST. Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Notes to the Financial Statement

For the year ended 30 June 2023

Note 2. Analysis of our results

Note 2.1 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 2020 requires explanation of any material variances. Council has adopted a materiality threshold of 10 percent and \$200,000 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 2020 and the Local Government (Planning and Reporting) Regulations 2020.

	Budget 2023 \$ '000	Actual 2023 \$ '000	Variance \$ '000	Variance %	Ref
2.1.1 Income / Revenue and expenditure					
Income / Revenue					
Rates and charges	16,712	16,744	32	0.19%	
Statutory fees and fines	407	568	161	39.56%	
User fees	749	1,000	251	33.51%	1.
Grants - operating	5,074	7,443	2,369	46.69%	2.
Grants - capital	3,500	787	(2,713)	(77.51)%	3.
Contributions - monetary	40	200	160	400.00%	
Contributions - non monetary	(100)	2,785	2,885	(2,885.00)%	4.
Other income	309	1,059	750	242.72%	5.
Total income / revenue	26,691	30,586	3,895	14.59%	
Expenses					
Employee costs	10,950	11,001	(51)	(0.47)%	
Materials and services	7,904	9,980	(2,076)	(26.27)%	6.
Depreciation	4,331	4,082	249	5.75%	7.
Amortisation - right of use assets	-	66	(66)	-	
Bad and doubtful debts - allowance for impairment losses	-	6	(6)	-	
Borrowing costs	170	208	(38)	(22.35)%	
Net loss on disposal of property, infrastructure, plant and equipment	-	972	(972)	-	8.
Other expenses	351	356	(5)	(1.42)%	
Total expenses	23,706	26,671	(2,965)	(12.51)%	
Surplus/(deficit) for the year	2,985	3,915	930	31.16%	

Notes to the Financial Statement

For the year ended 30 June 2023

Note 2.1 Performance against budget continued

(i) Explanation of material variations

Ref	Explanation
1.	User Fees income higher than budget result largely reflects increased General Fees, Inspection and Permit Fees, and Resource Recovery Centre Admission Fees.
2.	Victorian Grants Commission income was paid 100% upfront for the 2023/24 year, whereas the budget assumed 75%. This resulted in \$0.8m unbudgeted grant income received. Council also delivered \$1.8m of projects funded from unbudgeted non-recurrent grant revenue received in the current year or carried over funding from prior years, with the majority of funds received from the State Government.
3.	\$0.6m of the Heritage Facility \$1.3m budget was received in the prior year and the remaining \$0.7m will be received in the 2023-24 financial year. Capital works on the Heavy Vehicle Alternative Route project has required the budgeted grant funding of \$1.5m to be moved into the 2023-24 financial year.
4.	Non monetary contributions were not budgeted. This year Council received assets including roads, footpaths, land, pits and pipes relating to three development subdivisions.
5.	Above budget interest income of \$0.45m was received due to higher interest rates and higher than budget investments. Unbudgeted rental income of \$0.15m, resource recovery centre income of \$0.09m and reimbursement of costs of \$0.12m also contributed to the higher than budget other income.
6.	Unbudgeted expenditure included landfills management expenditure not from the provision of \$0.2m and an increase in the provision for future land fill management expenditure of \$1m. Unbudgeted expenditure was incurred across a range of projects related to unbudgeted grant income received during the year. Expenditure in relation to waste management, fuel, insurances, and legal costs were above budget.
7.	Lower depreciation expense reflects a variance in the timing of assets moving into service.
8.	A loss on the disposal of assets was not budgeted. The 2022-23 loss reflects the disposal of road assets under stage 1 of the Heavy Vehicle Alternative Route project. The project requires upgrading of narrow and unsealed roads not suitable for heavy vehicle movement.

Notes to the Financial Statement

For the year ended 30 June 2023

Note 2.1 Performance against budget continued

	Budget 2023 \$ '000	Actual 2023 \$ '000	Variance \$ '000	Variance %	Ref
2.1.2 Capital works					
Property					
Land	–	144	144	–	
Total land	–	144	144	–	
Buildings	2,036	891	(1,145)	(56.24)%	1.
Total buildings	2,036	891	(1,145)	(56.24)%	
Total property	2,036	1,035	(1,001)	(49.17)%	
Plant and equipment					
Plant, machinery and equipment	665	499	(166)	(24.96)%	
Fixtures, fittings and furniture	15	–	(15)	(100.00)%	
Computers and telecommunications	270	5	(265)	(98.15)%	2.
Library books	–	31	31	–	
Total plant and equipment	950	535	(415)	(43.68)%	
Infrastructure					
Roads	4,339	5,513	1,174	27.06%	3.
Bridges	680	252	(428)	(62.94)%	4.
Footpaths and cycleways	422	75	(347)	(82.23)%	5.
Drainage	1,450	100	(1,350)	(93.10)%	6.
Recreational, leisure and community facilities	413	265	(148)	(35.84)%	
Parks, open space and streetscapes	–	–	–	–	
Off street car parks	632	108	(524)	(82.91)%	7.
Total infrastructure	7,936	6,313	(1,623)	(20.45)%	
Total capital works expenditure	10,922	7,883	(3,039)	(27.82)%	
Represented by:					
New asset expenditure	2,369	410	(1,959)	(82.69)%	
Asset renewal expenditure	5,648	5,174	(474)	(8.39)%	
Asset upgrade expenditure	2,905	2,299	(606)	(20.86)%	
Total capital works expenditure	10,922	7,883	(3,039)	(27.82)%	

Notes to the Financial Statement

For the year ended 30 June 2023

Note 2.1 Performance against budget continued

(i) Explanation of material variations

Ref	Explanation
1.	Heritage Museum construction (grant funded) contract awarded but works delayed to avoid winter and to suit contractor availability.
2.	Timing of expenditure associated with the Digital Transformation Strategy has varied with the amount to be carried into the next financial year.
3.	Timing of expenditure on unsealed and sealed road renewal works varied due to collaborative procurement for the resealing program and wet weather delays to gravel resheeting works from the prior financial year carried forward for completion in 2022-23.
4.	Timing of expenditure on Rifle Butts Road culvert upgrade works has varied due to inclusion in the IMPACT Route (grant funded project). Completion of detailed design and community engagement works for Gooley's Bridge delayed the construction timing, with the amount to be carried forward to next financial year.
5.	Malcolm St shared path works were delayed due to wet weather and final design review of the path location and carried forward to the next financial year for completion. Works in Jamieson were delayed due to wet weather and filming on location and carried forward to next financial year for completion.
6.	Apollo St drainage construction works were delayed due to lack of tender response and carried forward to the next financial year for completion. Drainage works in Brown St Jamieson were delayed due to wet weather and filming on location and carried forward to next financial year for completion.
7.	High St carpark final design and construction works were deferred to enable purchase of a portion of land at 3 Collopy St as an access way to the car park; amount to be carried forward to next financial year.

Notes to the Financial Statement

For the year ended 30 June 2023

Note 2.2 Analysis of Council results by program

2.2.1 Analysis of Council results by program

Council delivers its functions and activities through the following programs.

+ Business & Performance

Information technology, and finance functions include accounting and reporting, payroll, accounts payable and receivable, property rating, procurement and depreciation costs.

+ Community & Economic Development

Economic development, tourism and events, library, arts and culture, community development, sport and recreation, customer service and records management.

+ Community Health & Wellbeing

Community and home care services, maternal and child health, integrated family services, financial counselling and youth services.

+ Community Safety

Local laws, animal management, environmental health, domestic wastewater, municipal emergency management.

+ Executive Services

Executive Services includes the Chief Executive Officer and executive management.

+ Field Services

Maintenance and upkeep of Councils parks and open spaces, roads, pathways and fleet.

+ Governance and Risk

Corporate governance and risk activities including regulatory compliance, insurance, strategic risk management, Councillors and elections, and corporate reporting.

+ Operations & Capital Works

Engineering services, infrastructure planning and delivery, building maintenance and asset management.

+ People & Culture

Human resource management and occupational health and safety.

+ Planning and Environment

Statutory planning, strategic planning, environment and waste management.

Notes to the Financial Statement

For the year ended 30 June 2023

Note 2.2 Analysis of Council results by program continued

2.2.2 Summary of income / revenue, expenses, assets and capital expenses by program

Functions/activities	Income / Revenue \$ '000	Expenses \$ '000	Surplus / (Deficit) \$ '000	Grants included in income / revenue \$ '000	Total assets \$ '000
2023					
Business & Performance	17,253	6,376	10,877	3,467	22,554
Community & Economic Development	767	2,375	(1,608)	728	349
Community Health & Wellbeing	1,203	1,512	(309)	1,202	–
Community Safety	613	1,040	(427)	280	–
Executive Services	–	1,335	(1,335)	–	–
Field Services	1,493	3,251	(1,758)	1,439	124,135
Governance & Risk	1	828	(827)	–	–
Operations & Capital Works	4,325	3,319	1,006	849	131,456
People & Culture	–	716	(716)	–	–
Planning & Environment	4,931	5,919	(988)	265	–
Total functions and activities	30,586	26,671	3,915	8,230	278,494
2022					
Business & Performance	16,307	5,562	10,745	3,361	18,929
Community & Economic Development	437	2,238	(1,801)	396	239
Community Health & Wellbeing	1,858	2,823	(965)	1,470	–
Community Safety	712	1,244	(532)	263	–
Executive Services	–	1,290	(1,290)	–	–
Field Services	1,121	3,122	(2,001)	1,274	120,374
Governance & Risk	10	794	(784)	–	–
Operations & Capital Works	5,891	2,463	3,428	2,257	114,162
People & Culture	258	869	(611)	214	–
Planning & Environment	3,275	4,920	(1,645)	132	–
Total functions and activities	29,869	25,325	4,544	9,367	253,704

Notes to the Financial Statement

For the year ended 30 June 2023

Note 3. Funding for the delivery of our services

	2023 \$ '000	2022 \$ '000
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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 its land plus all improvements on that land.

The valuation base used to calculate general rates for 2022/23 was \$6,103 million (2021/22: \$4,465 million).

General rates	10,412	10,072
Municipal charge	2,618	2,528
Waste management charge	645	185
Service rates and charges	2,916	2,105
Supplementary rates and rate adjustments	68	153
Interest on rates and charges	85	89
Total rates and charges	16,744	15,132

The latest general revaluation of land for rating purposes within the municipality was 1 January 2022, with application in the rating year commencing 1 July 2022.

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	38
Land information certificates	23	26
Permits	499	415
Total statutory fees and fines	568	479

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	1	388
Leisure centre and recreation	36	18
Registration and other permits	205	204
Building services	33	55
Waste management services	452	419
Local laws	132	138
Other fees and charges	141	73
Total user fees	1,000	1,295
User fees by timing of revenue recognition		
User fees recognised at a point in time	1,000	1,295
Total user fees	1,000	1,295

Notes to the Financial Statement

For the year ended 30 June 2023

Note 3. Funding for the delivery of our services continued

	2023 \$ '000	2022 \$ '000
3.4 Funding from other levels of government		
Grants were received in respect of the following:		
Summary of grants		
Commonwealth funded grants	5,328	6,544
State funded grants	2,902	2,823
Total grants received	8,230	9,367
(a) Operating Grants		
Recurrent - Commonwealth Government		
Financial Assistance Grants	4,626	4,633
General home care	3	352
Adult day care	-	82
Recurrent - State Government		
School crossing supervisors	34	31
Library	137	135
Maternal and child health	206	269
Adult day care	4	7
Home Support Programs	213	115
Family and children	71	364
Community support	121	11
Environmental health	25	22
Property and valuations	1	1
Youth Services	29	30
Emergency Management	79	13
Social Inclusion	71	-
Other	20	-
Total recurrent operating grants	5,640	6,065
Non-recurrent - Commonwealth Government		
Bushfire Recovery	83	-
General home care	-	9
Other	17	20
Non-recurrent - State Government		
Community health	-	29
Family and children	171	56
Maternal and child health	-	8
Community support	651	109
Waste	-	49
Emergency management	3	101
Environment	26	30
Property and valuations	159	-
Tourism	15	10
Sport and recreation	62	-
Strategic planning	-	53
Economic Development	116	420
Building Services	-	74
Working for Victoria	-	219
Information Technology	110	187
Youth Services	92	68

Notes to the Financial Statement

For the year ended 30 June 2023

Note 3. Funding for the delivery of our services continued

	2023 \$ '000	2022 \$ '000
Bushfire Recovery	73	74
Integrated Water Management	58	160
Statutory Planning	41	–
Waste Water Management	20	–
Environmental Health	91	–
Local Laws	29	–
Other	(14)	17
Total non-recurrent operating grants	1,803	1,693
Total operating grants	7,443	7,758
(b) Capital Grants		
Recurrent - Commonwealth Government		
Roads to recovery	599	590
Total recurrent capital grants	599	590
Non-recurrent - Commonwealth Government		
Recreation	–	858
Non-recurrent - State Government		
Buildings	–	55
Roads, footpaths and bridges	–	48
Recreation	188	58
Economic development	–	–
Total non-recurrent capital grants	188	1,019
Total capital grants	787	1,609

(c) Recognition of grant income

Before recognising funding from government grants as revenue the Council assesses whether there is a contract that is enforceable and has sufficiently specific performance obligations in accordance with *AASB 15 Revenue from Contracts with Customers*. When both these conditions are satisfied, the Council:

- + identifies each performance obligation relating to revenue under the contract/agreement
- + determines the transaction price
- + recognises a contract liability for its obligations under the agreement
- + recognises revenue as it satisfies its performance obligations, at the time or over time when services are rendered.

Where the contract is not enforceable and/or does not have sufficiently specific performance obligations, the Council applies *AASB 1058 Income for Not-for-Profit Entities*.

Grant revenue with sufficiently specific performance obligations is recognised over time as the performance obligations specified in the underlying agreement are met. Where performance obligations are not sufficiently specific, grants are recognised on the earlier of receipt or when an unconditional right to receipt has been established. Capital projects grants are generally recognised progressively as the capital project is completed. The following table provides a summary of the accounting framework under which grants are recognised.

Income recognised under AASB 1058 Income of Not-for-Profit Entities		
General purpose	4,626	4,633
Specific purpose grants to acquire non-financial assets	1,499	3,033
Other specific purpose grants	–	–
Revenue recognised under AASB 15 Revenue from Contracts with Customers		
Specific purpose grants	2,105	1,701
	8,230	9,367

Notes to the Financial Statement

For the year ended 30 June 2023

Note 3. Funding for the delivery of our services continued

	2023 \$ '000	2022 \$ '000
(d) Unspent grants received on condition that they be spent in a specific manner:		
Operating		
Balance at start of year	2,403	1,435
Received during the financial year and remained unspent at balance date	3,642	1,303
Received in prior years and spent during the financial year	(192)	(335)
Balance at year end	5,853	2,403
Capital		
Balance at start of year	906	1,324
Received during the financial year and remained unspent at balance date	710	71
Received in prior years and spent during the financial year	(484)	(489)
Balance at year end	1,132	906

Unspent grants are determined and disclosed on a cash basis.

3.5 Contributions**Monetary contributions**

Monetary	200	102
Total monetary contributions	200	102

Non-monetary contributions

Non-monetary	2,785	3,124
Total non-monetary contributions	2,785	3,124

Total contributions

2,985	3,226
--------------	--------------

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

Land under roads	3	4
Buildings	–	1,279
Roads	1,040	809
Land	–	560
Footpaths and cycleways	419	188
Drainage	1,304	145
Bridges	19	36
Recreation & Leisure	–	103
Total non-monetary contributions	2,785	3,124

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

Notes to the Financial Statement

For the year ended 30 June 2023

Note 3. Funding for the delivery of our services continued

	2023 \$ '000	2022 \$ '000
3.6 Net gain/(loss) on disposal of property, infrastructure, plant and equipment		
Property, infrastructure, plant and equipment		
Proceeds of sale	–	160
Written down value of assets disposed	(972)	(560)
Total net gain/(loss) on disposal of property, infrastructure, plant and equipment	(972)	(400)

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	531	65
Other rent	207	102
Other	321	203
Total other income	1,059	370

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 Statement

For the year ended 30 June 2023

Note 4. The cost of delivering services

	2023 \$ '000	2022 \$ '000
4.1 Employee costs		
(a) Employee costs		
Wages and salaries	8,724	9,016
WorkCover	121	134
Annual leave and long service leave	1,085	721
Superannuation	1,053	981
Fringe benefits tax	7	10
Other	11	72
Total employee costs	11,001	10,934
(b) Superannuation		
Council made contributions to the following funds:		
Defined benefit fund		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	24	19
	24	19
Accumulation funds		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	331	331
Employer contributions - other funds	698	631
	1,029	962
Total superannuation costs	1,053	981

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

Superannuation paid, does not represent superannation expense due to a year end accrual for superannuation.

Notes to the Financial Statement

For the year ended 30 June 2023

Note 4. The cost of delivering services continued

	2023 \$ '000	2022 \$ '000
4.2 Materials and services		
Utilities	366	362
Information technology software and hardware costs	485	382
Insurance	427	336
Consultants	371	976
Expenses from leases of low value assets	3	8
Store issues	126	79
Repairs, maintenance and security	317	313
Advertising and promotion	53	67
Legal expenses	377	190
Memberships and subscriptions	117	89
Printing, copying, stationery and postage	103	82
Staff training and professional development	215	222
Waste disposal and contract costs	3,944	3,186
Community contributions	165	355
Fuel	157	111
Cleaning expenses	281	190
Levies	35	31
Contract Payments - Asset management	135	210
Contract Payments - Building services	79	101
Contract Payments - Aged services	-	103
Contract Payments - Pool operations	185	177
Community services	218	249
Development services	191	271
Tourism, events & economic development	586	205
Engineering and works	760	773
Administration and governance	211	315
Other materials and services	73	84
Total materials and services	9,980	9,467

Expenses are recognised as they are incurred and reported in the financial year to which they relate.

Notes to the Financial Statement

For the year ended 30 June 2023

Note 4. The cost of delivering services continued

	2023 \$ '000	2022 \$ '000
4.3 Depreciation		
Property		
Buildings - specialised	567	538
Total depreciation - property	567	538
Plant and equipment		
Plant and equipment	387	434
Fixtures fittings and furniture	29	61
Library books	56	50
Total depreciation - plant and equipment	472	545
Infrastructure		
Roads	2,360	2,294
Bridges	297	296
Drainage	227	224
Recreational, leisure and community	159	144
Total depreciation - infrastructure	3,043	2,958
Total depreciation	4,082	4,041
Refer to note 6.1 for a more detailed breakdown of depreciation charges and accounting policy.		
4.4 Amortisation - Right of use assets		
Property	66	54
Total Amortisation - Right of use assets	66	54
4.5 Borrowing costs		
Interest - Borrowings	208	100
Total borrowing costs	208	100
Borrowing costs are recognised as an expense in the period in which they are incurred, except where they are capitalised as part of a qualifying asset constructed by Council.		
4.6 Other expenses		
Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	62	60
Auditors' remuneration - Internal Audit	50	42
Councillors' allowances	186	175
Other	58	54
Total other expenses	356	331

Notes to the Financial Statement

For the year ended 30 June 2023

Note 5. Our financial position

	2023 \$ '000	2022 \$ '000
5.1 Financial assets		
(a) Cash and cash equivalents		
Current		
Cash on hand	1	1
Cash at bank	4,011	7,636
Term deposits	–	1,000
Total current cash and cash equivalents	4,012	8,637
(b) Other financial assets		
Current		
Term deposits - current	16,370	7,317
Total current other financial assets	16,370	7,317
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.		
(c) Trade & Other Receivables		
Current		
<i>Statutory receivables</i>		
Rates debtors	1,095	1,231
Net GST receivables	172	178
<i>Non-statutory receivables</i>		
Other debtors	634	1,596
Total current trade and other receivables	1,901	3,005
Non-Current		
<i>Statutory receivables</i>		
Special rate scheme	–	9
Total non-current trade and other receivables	–	9
Total trade and other receivables	1,901	3,014

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.

Notes to the Financial Statement

For the year ended 30 June 2023

Note 5. Our financial position continued

	Note	2023 \$ '000	2022 \$ '000
(d) Ageing of receivables			
The ageing of the Council's trade & other receivables (excluding statutory receivables) that are not impaired was:			
Current (not yet due)		240	459
Past due by up to 30 days		385	6
Past due between 31 and 180 days	a.	9	1,061
Past due between 181 and 365 days		–	58
Past due by more than 1 year		–	12
Total trade and other receivables		634	1,596

a. In 2021/22 a debt to the value of \$1.020 was unpaid awaiting approval of an acquittal.

5.2 Non-financial assets

(a) Inventories

Current

Inventories held for distribution		12	25
Total current inventories		12	25

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

Current

Prepayments		133	107
Accrued income - interest		138	23
Total current other assets		271	130

Notes to the Financial Statement

For the year ended 30 June 2023

Note 5. Our financial position continued

	2023 \$ '000	2022 \$ '000
5.3 Payables, trust funds and deposits and unearned income/revenue		
(a) Trade and other payables		
Current		
<i>Statutory payables</i>		
Trade payables	3,118	1,289
Accrued expenses	63	363
Employee costs	–	4
Accrued loan interest	12	7
Total current trade and other payables	3,193	1,663
(b) Trust funds and deposits		
Current		
Refundable deposits	19	133
Fire services levy	–	365
Retention amounts	330	565
Other refundable deposits	301	16
Cemetery trusts	400	340
Total current trust funds and deposits	1,050	1,419

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.

Cemetery Trusts - Council is the trustee for the Mansfield, Bonnie Doon, Jamieson and Merton cemeteries.

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.

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.

Unearned income/revenue represents contract liabilities and reflect consideration received in advance from customers in respect of grant revenue with sufficiently specific performance obligations is recognised over time as the performance obligations specified in the underlying agreement are met. Unearned income/revenue are derecognised and recorded as revenue when promised goods and services are transferred to the customer. Refer to Note 3.

Notes to the Financial Statement

For the year ended 30 June 2023

Note 5. Our financial position continued

	2023 \$ '000	2022 \$ '000
(c) Unearned income/revenue		
Current		
Grants received in advance:		
Grants received in advance - operating	4,266	1,344
Grants received in advance - capital	831	784
Total grants received in advance	5,097	2,128
5.4 Interest-bearing liabilities		
Current		
Treasury Corporation of Victoria borrowings - secured	269	212
Other borrowings - secured	215	204
Total current interest-bearing liabilities	484	416
Non-current		
Treasury Corporation of Victoria borrowings - secured	2,749	2,420
Other borrowings - secured	1,318	1,533
Total non-current interest-bearing liabilities	4,067	3,953
Total	4,551	4,369

Borrowings are secured by rate income.

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

Not later than one year	499	416
Later than one year and not later than five years	2,826	1,885
Later than five years	1,226	2,068
	4,551	4,369

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 Statement

For the year ended 30 June 2023

Note 5. Our financial position continued

	Employee provisions \$ '000	Landfill restoration \$ '000	Total \$ '000
5.5 Provisions			
2023			
Balance at the beginning of the financial year	1,809	1,134	2,943
Additional provisions	1,333	998	2,331
Amounts used	(1,172)	(58)	(1,230)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	(110)	(43)	(153)
Balance at the end of the financial year	1,860	2,031	3,891
Provisions			
Provisions - current	1,713	204	1,917
Provisions - non-current	147	1,827	1,974
Total Provisions	1,860	2,031	3,891
2022			
Balance at the beginning of the financial year	1,949	637	2,586
Additional provisions	723	680	1,403
Amounts used	(884)	(72)	(956)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	21	(111)	(90)
Balance at the end of the financial year	1,809	1,134	2,943
Provisions			
Provisions - current	1,672	265	1,937
Provisions - non-current	138	868	1,006
Total Provisions	1,810	1,133	2,943

Notes to the Financial Statement

For the year ended 30 June 2023

Note 5. Our financial position continued

	2023 \$ '000	2022 \$ '000
(a) Employee provisions		
Current provisions expected to be wholly settled within 12 months		
Annual leave	739	664
Long service leave	113	118
	852	782
Current provisions expected to be wholly settled after 12 months		
Annual leave	66	44
Long service leave	795	846
	861	890
Total current employee provisions	1,713	1,672
Non-Current		
Long service leave	147	138
Total Non-Current Employee Provisions	147	138
Aggregate Carrying Amount of Employee Provisions:		
Current	1,713	1,672
Non-current	147	138
Total Aggregate Carrying Amount of Employee Provisions	1,860	1,810

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

Annual leave

A liability for annual leave is recognised in the provision for employee benefits as a current liability because the Council does not have an unconditional right to defer settlement of the liability. Liabilities for annual leave are measured at:

- + nominal value if the Council expects to wholly settle the liability within 12 months
- + present value if the Council does not expect to wholly settle within 12 months.

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. Unconditional LSL is disclosed as a current liability as the Council does not have an unconditional right to defer settlement. Unconditional LSL is measured at nominal value if expected to be settled within 12 months or at present value if not expected to be settled within 12 months. 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 and measured at present value.

Key assumptions:

- discount rate	4.02%	3.69%
- wage inflation rate	4.35%	3.85%

Notes to the Financial Statement

For the year ended 30 June 2023

Note 5. Our financial position continued

	2023 \$ '000	2022 \$ '000
(b) Landfill restoration		
Current		
Current	204	265
Total current	204	265
Non-current		
Non-current	1,827	868
Total non-current	1,827	868

Council is obligated to restore the Monkey Gully Road Landfill site (which is now closed) to a particular standard. Council have also made initial assessments on 4 other closed landfills across the municipality and have implemented a monitoring regime.

The provision for landfill restoration has been calculated based on the present value of the expected cost of works to be undertaken at each landfill site. The expected cost of works has been estimated with external consultant support, based on the current understanding of work required to remediate the site to an acceptable standard. Accordingly, the estimation of the provision required is dependent on the accuracy of the forecast work required and related costs, the forecast timing of the work and the discount rate applied. Council currently has no operating landfills.

Key assumptions:

- discount rate	5.44%	0.66%
- inflation rate	4.35%	1.10%

	2023 \$ '000	2022 \$ '000
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5.6 Financing arrangements

The Council has the following funding arrangements in place as at 30 June 2023.

Bank overdraft	300	300
Credit card facilities	100	100
Treasury Corporation of Victoria facilities	3,020	2,632
Loan facilities	1,533	1,737
Total Facilities	4,953	4,769
Used facilities	4,553	4,369
Used facilities	4,553	4,369
Unused facilities	400	400

Notes to the Financial Statement

For the year ended 30 June 2023

Note 5. Our financial position continued

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.

(a) Commitments for expenditure

	Not later than 1 year \$ '000	Later than 1 year and not later than 2 years \$ '000	Later than 2 years and not later than 5 years \$ '000	Later than 5 years \$ '000	Total \$ '000
2023					
Operating					
Recycling	260	–	–	–	260
Waste collection	2,230	–	–	–	2,230
Cleaning contracts for council buildings	529	90	–	–	619
Waste disposal	785	–	–	–	785
Building regulation services	51	–	–	–	51
Asset management bureau service	239	243	734	232	1,448
Strategies & Reviews	–	–	–	–	–
Infrastructure maintenance	35	–	–	–	35
Office Furniture	55	–	–	–	55
Total	4,184	333	734	232	5,483
Capital					
Buildings	1,853	–	–	–	1,853
Roads	2,119	–	–	–	2,119
Dual Court Stadium	–	–	–	–	–
Roads & Footpaths	51	–	–	–	51
Recreational facilities	57	–	–	–	57
Bridges	–	–	–	–	–
Total	4,080	–	–	–	4,080

Notes to the Financial Statement

For the year ended 30 June 2023

Note 5. Our financial position continued

	Not later than 1 year \$ '000	Later than 1 year and not later than 2 years \$ '000	Later than 2 years and not later than 5 years \$ '000	Later than 5 years \$ '000	Total \$ '000
2022					
Operating					
Recycling	974	754	–	–	1,728
Waste collection	1,087	1,107	–	–	2,194
Cleaning contracts for council buildings	326	168	–	–	494
Other	10	–	–	–	10
Waste disposal	747	762	–	–	1,509
Building regulation services	84	–	–	–	84
Asset management bureau service	166	–	–	–	166
Strategies & Reviews	–	–	–	–	–
Infrastructure maintenance	34	–	–	–	34
Office Furniture	–	–	–	–	–
Information Technology	55	–	–	–	55
Total	3,483	2,791	–	–	6,274
Capital					
Buildings	81	–	–	–	81
Roads	2,754	–	–	–	2,754
Drainage	16	–	–	–	16
Dual Court Stadium	–	–	–	–	–
Roads & Footpaths	–	–	–	–	–
Plant	92	–	–	–	92
Recreational facilities	81	–	–	–	81
Bridges	83	–	–	–	83
Total	3,107	–	–	–	3,107

Notes to the Financial Statement

For the year ended 30 June 2023

Note 5. Our financial position continued

5.8 Leases

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

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

This policy is applied to contracts entered into, or changed, on or after 1 July 2019. Council have not recognised any lease liabilities as at 30 June 2023 as it has no outstanding payments due for leases. Council has entered into a lease arrangement for the Dual Court Stadium, however no lease liability exists as consideration had been made upfront as part of a co-contribution towards the building of the asset.

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 does not currently lease any assets under a peppercorn lease arrangement.

	Property \$ '000	Total \$ '000
2023		
Balance at 1 July	3,265	3,265
Additions	28	28
Amortisation charge	66	66
Right-of-Use Assets	(132)	(132)
Balance at 30 June	3,227	3,227
2022		
Right-of-Use Assets	3,265	3,265
Balance at 30 June	3,265	3,265

Notes to the Financial Statement

For the year ended 30 June 2023

Note 5. Our financial position continued

	2023 \$ '000	2022 \$ '000
Lease Liabilities		
Short-term and low value leases		
Council has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets (individual assets worth less than existing capitalisation thresholds for a like asset up to a maximum of AUD\$10,000), including IT equipment. Council recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.		
Expenses relating to:		
Leases of low value assets	3	8
Total	<u>3</u>	<u>8</u>
Variable lease payments (not included in measurement of lease liabilities)		
Variable lease payments	-	-
Total	<u>-</u>	<u>-</u>
Variable lease payments are those that depend on an index or a rate, for example payments linked to the consumer price index, a benchmark interest rate or changes in market rental rates.		
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	-	8
Later than one year but not later than five years	-	3
Total lease commitments	<u>-</u>	<u>11</u>

Notes to the Financial Statement

For the year ended 30 June 2023

Note 6. Assets we manage

6.1 Property, infrastructure, plant and equipment

Summary of property, Infrastructure, plant and equipment	Carrying amount							Carrying amount
	30 June 2022 \$ '000	Additions \$ '000	Contributions \$ '000	Revaluation \$ '000	Disposal \$ '000	Depreciation \$ '000	Transfers \$ '000	30 June 2023 \$ '000
Property	72,380	810	2	2,546	(66)	(567)	60	75,165
Plant and equipment	2,516	535	–	–	–	(472)	135	2,714
Infrastructure	154,314	5,305	2,782	13,069	(906)	(3,043)	1,661	173,182
Work in progress	2,106	1,232	–	–	–	–	(1,698)	1,640
Total	231,316	7,882	2,784	15,615	(972)	(4,082)	158	252,701

Summary of Work in Progress	Opening WIP \$ '000	Additions \$ '000	Transfers \$ '000	Closing WIP \$ '000
Property	252	224	–	476
Infrastructure	1,854	1,008	(1,698)	1,164
Total	2,106	1,232	(1,698)	1,640

Notes to the Financial Statement

For the year ended 30 June 2023

Note 6. Assets we manage continued

	Land specialised \$ '000	Land non specialised \$ '000	Land under roads \$ '000	Total land and land improvements \$ '000	Buildings specialised \$ '000	Work in progress \$ '000	Total property \$ '000
Property							
At fair value 1 July 2022	25,105	7,820	17,891	50,816	31,862	252	82,930
Accumulated depreciation at 1 July 2022	–	–	–	–	(10,298)	–	(10,298)
	25,105	7,820	17,891	50,816	21,564	252	72,632
Movements in fair value							
Additions	28	–	–	28	782	224	1,034
Contributions	–	–	2	2	–	–	2
Revaluation	–	–	–	–	3,281	–	3,281
Disposal	–	–	–	–	(78)	–	(78)
Transfers	–	–	–	–	60	–	60
	28	–	2	30	4,045	224	4,299
Movements in accumulated depreciation							
Depreciation and amortisation	–	–	–	–	(567)	–	(567)
Accumulated depreciation of disposals	–	–	–	–	12	–	12
Accumulated depreciation on revaluation	–	–	–	–	(735)	–	(735)
Transfers	(560)	560	–	–	–	–	–
	(560)	560	–	–	(1,290)	–	(1,290)
At fair value 30 June 2023	24,573	8,380	17,893	50,846	35,907	417	87,170
Accumulated depreciation at 30 June 2023	–	–	–	–	(11,588)	–	(11,588)
Carrying amount	24,573	8,380	17,893	50,846	24,319	417	75,582

Notes to the Financial Statement

For the year ended 30 June 2023

Note 6. Assets we manage continued

	Plant machinery and equipment \$ '000	Fixtures fittings and furniture \$ '000	Computers and telecomms \$ '000	Library books \$ '000	Total plant and equipment \$ '000
Plant and Equipment					
At fair value 1 July 2022	5,112	232	455	485	6,284
Accumulated depreciation at 1 July 2022	(2,925)	(195)	(402)	(246)	(3,768)
	2,187	37	53	239	2,516
Movements in fair value					
Additions	499	–	5	31	535
Revaluation	–	–	–	–	–
Disposal	–	–	–	–	–
Transfers	–	58	(58)	135	135
	499	58	(53)	166	670
Movements in accumulated depreciation					
Depreciation and amortisation	(387)	(29)	–	(56)	(472)
Accumulated depreciation of disposals	–	–	–	–	–
Accumulated depreciation on revaluation	–	–	–	–	–
	(387)	(29)	–	(56)	(472)
At fair value 30 June 2023	5,612	694	–	557	6,863
Accumulated depreciation at 30 June 2023	(3,312)	(626)	–	(208)	(4,146)
Carrying amount	2,300	68	–	349	2,717

Notes to the Financial Statement

For the year ended 30 June 2023

Note 6. Assets we manage continued

	Roads \$ '000	Bridges \$ '000	Footpaths and cycleways \$ '000	Drainage \$ '000	Recreational, leisure and community \$ '000	Off street car parks \$ '000	Total Infrastructure (excl. work in progress) \$ '000	Work in progress \$ '000	Total infrastructure \$ '000
Infrastructure									
At fair value 1 July 2022	136,158	28,684	7,813	22,596	5,449	1,728	202,428	1,854	204,282
Accumulated depreciation at 1 July 2022	(25,609)	(12,517)	(1,812)	(6,532)	(1,438)	(206)	(48,114)	–	(48,114)
	110,549	16,167	6,001	16,064	4,011	1,522	154,314	1,854	156,168
Movements in fair value									
Additions	4,869	144	39	19	234	–	5,305	1,008	6,313
Contributions	1,040	19	418	1,305	–	–	2,782	–	2,782
Revaluation	9,781	3,617	561	4,060	909	(327)	18,601	–	18,601
Disposal	(1,228)	(39)	(6)	–	(33)	–	(1,306)	–	(1,306)
Transfers	(279)	–	–	–	(57)	1,998	1,662	(1,698)	(36)
	14,183	3,741	1,012	5,384	1,053	1,671	27,044	(690)	26,354
Movements in accumulated depreciation									
Depreciation and amortisation	(2,114)	(297)	(182)	(227)	(159)	(64)	(3,043)	–	(3,043)
Accumulated depreciation of disposals	338	32	2	–	28	–	400	–	400
Accumulated depreciation on revaluation	(1,887)	(1,609)	(136)	(1,152)	(913)	165	(5,532)	–	(5,532)
Transfers	260	–	–	–	8	(269)	(1)	–	(1)
	(3,403)	(1,874)	(316)	(1,379)	(1,036)	(168)	(8,176)	–	(8,176)
At fair value 30 June 2023	150,902	32,425	8,265	27,980	6,502	3,399	229,473	1,218	230,691
Accumulated depreciation at 30 June 2023	(29,147)	(14,391)	(1,992)	(7,911)	(2,474)	(374)	(56,289)	–	(56,289)
Carrying amount	121,755	18,034	6,273	20,069	4,028	3,025	173,184	1,218	174,402

Notes to the Financial Statement

For the year ended 30 June 2023

Note 6. Assets we manage continued

Acquisition

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

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

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

Asset recognition thresholds and depreciation periods

	Depreciation Period years	Threshold Limit \$ '000
Land		
Land	Not applicable	–
Land under roads	Not applicable	–
Buildings		
Buildings	15-100	5
Plant and Equipment		
Plant, machinery and equipment	5-10	2
Fixtures, fittings and furniture	2-10	2
Computers and telecommunications	2-10	2
Library books	2-12	2
Infrastructure		
<i>Roads & Off Street Car Parks</i>		
Pavements	30-160	5
Seals and asphalt	20-30	5
Roads formation (95% residual) and earthworks	2,000	5
Kerb, channel and minor culverts	75	5
<i>Bridges</i>		
Bridges deck	130	5
Bridges substructure	130	5
Bridges other	130	5
Footpaths and cycleways	15-80	5
Drainage	100	5
Recreation, Leisure & Community	10-100	5

Land under roads

Council recognises land under roads it controls at fair value.

Depreciation

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.

Straight line depreciation is charged based on the residual useful life as determined each year. Depreciation periods used are listed below and are consistent with the prior year unless otherwise stated.

Notes to the Financial Statement

For the year ended 30 June 2023

Note 6. Assets we manage continued

Repairs and maintenance

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

Valuation of land and buildings

Valuation of land was undertaken by a qualified independent valuer, LG Valuation Services registration no 2013.

Valuation of buildings was undertaken by Assetic Pty Ltd, by Ashay Prabhu MIE(Aust) CPEng, NPER: Membership 1102199.

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

As an indirect result of COVID19, land values have increased dramatically over the past few years. Council applied an index based valuation at 30 June 2021, and has subsequently had a full revaluation completed as at 30 June 2022.

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2023 are as follows:

	Level 1	Level 2	Level 3	Date of valuation	Type of Valuation
Non-specialised land	–	8,380	–	Jun-22	Full
Specialised land	–	–	24,573	Jun-22	Full
Land under roads	–	–	17,893	Jun-21	Full
Specialised buildings	–	–	24,319	Jun-23	Full
Total	–	8,380	66,785		

Valuation of Infrastructure

Valuations of infrastructure assets have been determined in accordance with a valuation undertaken by Assetic Pty Ltd by Ashay Prabhu MIE(Aust) CPEng, NPER: Membership 1102199.

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

The valuation is at fair value based on current 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 2023 are as follows:

	Level 1	Level 2	Level 3	Date of valuation	Type of Valuation
Roads	–	–	121,330	Jun-23	Index
Bridges	–	–	18,034	Jun-23	Index
Footpaths and cycleways	–	–	6,698	Jun-23	Index
Drainage	–	–	20,069	Jun-23	Index
Recreational, leisure & community facilities	–	–	4,028	Jun-23	Full
Off street car parks	–	–	3,025	Jun-23	Full
Total	–	–	173,184		

Notes to the Financial Statement

For the year ended 30 June 2023

Note 6. Assets we manage continued

Definitions of levels contained within the fair value hierarchy are described in Note 8.4 Fair Value Measurement.

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 95%. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values range between \$1 and \$750 per square metre.

Specialised buildings are valued using a current replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs is calculated on a square metre basis and ranges from \$13 to \$1.7m per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 20 years to 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 current 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 15 years to 2000 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.

Recreational, leisure and community assets are valued using a current replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of the assets. Current replacement costs is calculated on a square metre basis and ranges from \$12 to \$59,000 per square metre. The remaining useful lives of the assets are determined on the basis of the current condition and remaining service potential, and vary from 20 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 the recreational, leisure and community assets are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives.

Off street car park assets are valued using a current replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of the assets. Current useful lives and replacement costs are assessed by pavement base, pavement subbase, formation and surface. Current replacement costs is calculated on a square metre basis and ranges from \$6 to \$108 per square metre. The remaining useful lives of the assets are determined on the basis of the current condition and remaining service potential, and vary from 20 years to 160 years (formation components extend to 2,000 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 the off street car park assets are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives.

Reconciliation of specialised land

	2023 \$ '000	2022 \$ '000
Land under roads	17,893	17,891
Land	24,573	25,105
Total specialised land	42,466	42,996

Notes to the Financial Statement

For the year ended 30 June 2023

Note 6. Assets we manage continued

6.2 Investments in joint arrangements

(a) Investments in joint arrangements

High Country Library Network

High Country Library Network shared services agreement

Mansfield Shire Council entered into a three year joint arrangement for library services with Alpine Shire Council, Wangaratta Rural City Council and Benalla Rural City Council. Mansfield Shire Council's contribution is 14% of the total cost of the service.

The amounts recognised in the financial statements relating to the joint arrangement are shown as follows:

Expenses (materials and services)	53	52
Property, plant and equipment at fair value (library books)	44	41
Total contribution to joint arrangements	97	93

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

The High Country Library Network shared services agreement is a joint operation. Council recognises contributions to the High Country Library Network as operating expenses where related to the management and operation of the library network, and capital expenditure where related to the purchase of library books on Council's behalf (refer note 6.1).

There are no contingent assets or contingent liabilities in relation to joint arrangements.

Notes to the Financial Statement

For the year ended 30 June 2023

Note 7. People and relationships

7.1 Council and key management remuneration

(a) Related Parties

Parent entity

Mansfield Shire Council is the parent entity

Subsidiaries

Mansfield Public Cemetery Trust

By virtue of the fact that the councillors of Mansfield Shire Council form the whole of the Board of Trustees of the Mansfield Public Cemetery Trust, this entity is considered to be a controlled entity under AASB 10: Consolidated Financial Statements. It's operating results, assets and liabilities have not been included in the accounts on the basis that they are not material individually or in aggregate.

Joint arrangements

Interests in joint arrangements are detailed in Note 6.2.

(b) Key Management Personnel

Key management personnel (KMP) are those people with the authority and responsibility for planning, directing and controlling the activities of Mansfield Shire Council. The Councillors, Chief Executive Officer and General Managers' are deemed KMP. Details of persons holding the position of Councillor or other members of key management personnel at any time during the year are:

Councillors	Cr James Tehan, Mayor
	Cr Mark Holcombe
	Cr Paul Sladdin
	Cr Steve Rabie
	Cr Rohan Webb

	2023 No.	2022 No.
Total Number of Councillors	5	5
Chief Executive Officer	1	1
General Manager Infrastructure & Planning	1	1
General Manager Business & Economic Development	1	1
Total Number of Key Management Personnel	8	8

(c) Remuneration of Key Management Personnel

Remuneration comprises employee benefits including all forms of consideration paid, payable or provided by Council, or on behalf of the Council, in exchange for services rendered. Remuneration of Key Management Personnel and Other senior staffs disclosed in the following categories.

Short-term employee benefits include amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services.

Other long-term employee benefits include long service leave, other long service benefits or deferred compensation.

Post-employment benefits include pensions, and other retirement benefits paid or payable on a discrete basis when employment has ceased.

Termination benefits include termination of employment payments, such as severance packages.

	2023 \$ '000	2022 \$ '000
Total remuneration of key management personnel was as follows:		
Short-term employee benefits	830	852
Other long-term employee benefits	10	35
Post-employment benefits	64	65
Termination	24	-
Total	928	952

Notes to the Financial Statement

For the year ended 30 June 2023

Note 7. People and relationships continued

	2023 No.	2022 No.
The numbers of key management personnel whose total remuneration from Council and any related entities, fall within the following bands:		
\$1 - \$9,999	-	-
\$10,000 - \$19,999	-	-
\$20,000 - \$29,999	3	3
\$40,000 - \$49,999	1	1
\$50,000 - \$59,999	-	2
\$70,000 - \$79,999	1	-
\$100,000 - \$109,999	-	-
\$140,000 - \$149,999	1	-
\$170,000 - \$179,999	-	-
\$190,000 - \$199,999	1	-
\$200,000 - \$209,999	-	1
\$250,000 - \$259,999	-	-
\$260,000 - \$269,999	1	-
\$290,999 - \$299,999	-	1
	8	8

(d) Remuneration of other senior staff

Other senior staff are officers of Council, other than Key Management Personnel, whose total remuneration exceeds \$160,000 (2022: \$151,000) and who report directly to a member of the KMP.

There have been no Senior Officers meeting the requirement during the reporting period (2022: nil).

Note	2023 \$ '000	2022 \$ '000

7.2 Related party disclosure

(a) Transactions with related parties

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

Expenses - Materials and services	a	62	-
Expenses - Salaries and wages	b	-	54
Total		62	54

- a. In FY 22/23 a related party of a member of a Key Management Personnel is employed by Tonkin Engineering which provides civil and structural engineering and associated services across Adelaide, Sydney, Brisbane, Sunshine Coast and other regions of Australia. Council contracted Tonkin Engineering at commercial and market rates, for its Capital Works Program.
- b. In prior year, Salaries and Wages - a related party of both a councillor and a member of the Key Management Personnel were employed by Council. All salaries were paid at commercial and market rates, and the related parties were employed on the same terms, including performance requirements, as any other staff member within Council.

All other expense and income transactions are incurred on normal business terms and conditions.

(b) Outstanding balances with related parties

There are no material outstanding balances or commitments with any related party.

Notes to the Financial Statement

For the year ended 30 June 2023

Note 8. Managing uncertainties

8.1 Contingent assets and 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.

(a) Contingent assets

There are no contingent assets of which Council is aware at balance date.

(b) Contingent liabilities

Contingent liabilities are:

- + possible obligations that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Council; or
- + present obligations that arise from past events but are not recognised because:
 - + it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - + the amount of the obligation cannot be measured with sufficient reliability.

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.

Landfill

Until 30 June 2007 Council operated a landfill at Monkey Gully Road, Mansfield which did not accept putrescible waste. Council are obligated to restore the landfill site to EPA requirements which includes regular environmental audits. Council have received a financial assurance calculation report from Meinhart Australia Pty Ltd. which has been used to calculate the provision, however during the project contingencies may arise. The amount of this potential contingency cannot be determined.

As of 1 July 2021, Council are now required to report to the EPA on any closed landfills that were not operated under an EPA license in past years. In preparation for the change in legislation, an assessment was undertaken and identified four potential sites upon which remediation works may need to be performed.

At 30 June 2023 the landfill provision includes the cost of the initial assessment, monitoring and rain water drainage of the four identified unlicensed closed landfills. Until completion of the full assessments, a risk based estimate has been determined for subsequent remediation works with estimated future costs carried in the provision.

Insurance claims

At 30 June 2023 Council has no major insurance claims that could have a material impact on future operations.

Legal matters

At 30 June 2023 Council has no major legal matters that could have a material impact on future operations.

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.

8.2 Change in accounting standards

Certain new Australian Accounting Standards and interpretations have been published that are not mandatory for the 30 June 2023 reporting period. Council assesses the impact of these new standards. As at 30 June 2023 there were no new accounting standards or interpretations issued by the AASB which are applicable for the year ending 30 June 2023 that are expected to impact Council.

Notes to the Financial Statement

For the year ended 30 June 2023

Note 8. Managing uncertainties

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 and TCV borrowings. Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument is disclosed in the notes of the financial statements. Risk management is carried out by senior management under policies approved by the Council. These policies include identification and analysis of the risk exposure to Council and appropriate procedures, controls and risk minimisation.

(b) Market risk

Market risk is the risk that the fair value or future cash flows of Council financial instruments will fluctuate because of changes in market prices. The Council's exposure to market risk is primarily through interest rate risk with only insignificant exposure to other price risks and no exposure to foreign currency risk.

Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Council's interest rate liability risk arises primarily from long term loans and borrowings at fixed rates which exposes Council to fair value interest rate risk. 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 2020*. 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 has exposure to credit risk on some financial assets included in the balance sheet. Particularly significant areas of credit risk exist in relation to outstanding fees and fines as well as loans and receivables from sporting clubs and associations. To help manage this risk:

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

Receivables consist of a large number of customers, spread across the ratepayer, business and government sectors. Credit risk associated with the Council's financial assets is minimal because the main debtor is secured by a charge over the rateable property.

There are no material financial assets which are individually determined to be impaired.

Council may also be subject to credit risk for transactions which are not included in the balance sheet, such as when Council provides a guarantee for another party. Details of our contingent liabilities are disclosed in Note 8.1(b).

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

Notes to the Financial Statement

For the year ended 30 June 2023

Note 8. Managing uncertainties continued

(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 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 + 2 % and - 1 % in market interest rates (AUD) from year-end rates of 4.10%.

These movements will not have a material impact on the valuation of Council's financial assets and liabilities, nor will they have a material impact on the results of Council's operations.

8.4. Fair value measurement

Fair Value Hierarchy

Council's financial assets and liabilities are not valued in accordance with the fair value hierarchy, Council's financial assets and liabilities are measured at amortised cost.

Council measures certain assets and liabilities at fair value where required or permitted by Australian Accounting Standards. AASB 13 Fair value measurement, aims to improve consistency and reduce complexity by providing a definition of fair value and a single source of fair value measurement and disclosure requirements for use across Australian Accounting Standards.

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

- + Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- + Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- + Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, Council has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

In addition, Council determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Notes to the Financial Statement

For the year ended 30 June 2023

Note 8. Managing uncertainties continued

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. (For plant and equipment carrying amount is considered to approximate fair value given short useful lives). 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 two to four 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

On 22 September Council signed a contract of sale for a parcel of land in Lakins Road, Mansfield for an amount of \$1,575,000. No other matters have occurred after balance date that require disclosure in the financial report.

Notes to the Financial Statement

For the year ended 30 June 2023

Note 9. Other matters

	Balance at beginning of reporting period \$ '000	Increment (decrement) \$ '000	Balance at end of reporting period \$ '000
9.1 Reserves			
(a) Asset revaluation reserves			
2023			
Property			
Land - specialised	23,207	–	23,207
Land - non specialised	3,122	–	3,122
Land under roads	6,457	–	6,457
Buildings	12,216	2,545	14,761
	<u>45,002</u>	<u>2,545</u>	<u>47,547</u>
Plant and equipment			
Library books	23	–	23
	<u>23</u>	<u>–</u>	<u>23</u>
Infrastructure			
Roads	101,203	7,894	109,097
Bridges	6,199	2,008	8,207
Footpaths and cycleways	454	425	879
Drainage	6,175	2,908	9,083
Recreational, leisure and community facilities	135	(5)	130
Offstreet car parks	549	(162)	387
	<u>114,715</u>	<u>13,068</u>	<u>127,783</u>
Total asset revaluation reserves	159,740	15,613	175,353
2022			
Property			
Land - specialised	15,295	7,912	23,207
Land - non specialised	1,096	2,026	3,122
Land under roads	6,457	–	6,457
Buildings	12,216	–	12,216
	<u>35,064</u>	<u>9,938</u>	<u>45,002</u>
Plant and equipment			
Library books	20	3	23
	<u>20</u>	<u>3</u>	<u>23</u>
Infrastructure			
Roads	94,827	6,375	101,202
Bridges	6,199	–	6,199
Footpaths and cycleways	1,361	(907)	454
Drainage	6,175	–	6,175
Recreational, leisure and community facilities	135	–	135
Offstreet car parks	549	–	549
	<u>109,246</u>	<u>5,468</u>	<u>114,714</u>
Total asset revaluation reserves	144,330	15,409	159,739

Notes to the Financial Statement

For the year ended 30 June 2023

Note 9. Other matters continued

	Balance at beginning of reporting period \$ '000	Transfer from Accumulated Surplus \$ '000	Transfer to Accumulated Surplus \$ '000	Balance at end of reporting period \$ '000
(b) Other reserves				
2023				
Restricted reserves				
Road construction reserve	336	65	–	401
Footpath construction reserve	5	–	–	5
Open space reserve	415	83	–	498
Total restricted reserves	756	148	–	904
Discretionary reserves				
Waste Management	(757)	724	–	(33)
Total discretionary reserves	(757)	724	–	(33)
Total Other reserves	(1)	872	–	871
2022				
Restricted reserves				
Road construction reserve	336	–	–	336
Footpath construction reserve	5	–	–	5
Open space reserve	352	63	–	415
Total restricted reserves	693	63	–	756
Discretionary reserves				
Waste Management	(425)	–	(332)	(757)
Total discretionary reserves	(425)	–	(332)	(757)
Total Other reserves	268	63	(332)	(1)

Restricted reserves are used to record developer contributions received for a specific purpose which Council has not yet fulfilled.

The discretionary waste management reserve denotes the cumulative surplus/(deficit) from waste service charges collected from ratepayers and actual waste costs incurred by Council over time.

Notes to the Financial Statement

For the year ended 30 June 2023

Note 9. Other matters continued

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

	2023	2022
	\$'000	\$'000
Surplus/(deficit) for the year	3,915	4,542
Depreciation/amortisation	4,148	4,095
Profit/(loss) on disposal of property, infrastructure, plant and equipment	972	400
Contributions - Non-monetary assets	(2,785)	(3,124)
Amounts disclosed in financing activities	208	100
Change in assets and liabilities:		
(Increase)/decrease in trade and other receivables	1,113	(763)
(Increase)/decrease in inventories	13	(7)
(Increase)/decrease in prepayments	(25)	10
Increase/(decrease) in accrued income	(115)	748
Increase/(decrease) in trade and other payables	1,530	(324)
Increase/(decrease) in provisions	948	357
(Decrease)/increase in other liabilities	(369)	58
Increase/(decrease) in Unearned income /revenue	2,969	540
Net cash provided by/(used in) operating activities	12,522	6,632

9.3 Superannuation

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

Accumulation

The Fund's accumulation category, Vision MySuper/Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2023, this was 10.5% as required under Superannuation Guarantee (SG) legislation (2022: 10.0%)).

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 Mansfield 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 investigation is currently underway for the Defined Benefit category which is expected to be completed by 31 December 2023. Council was notified of the 30 June 2023 vested benefit index (VBI) of the Defined Benefit category of which Council is a contributing employer was 104.1%. The financial assumptions used to calculate the VBI were:

Net investment returns 5.5% pa
Salary information 3.5% pa
Price inflation (CPI) 2.8% pa.

As at 30 June 2022, 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 102.2%. The financial assumptions used to calculate the VBI were:

Notes to the Financial Statement

For the year ended 30 June 2023

Note 9. Other matters continued

Net investment returns 5.5% pa
Salary information 2.5% pa to 30 June 2023, and 3.5% pa thereafter
Price inflation (CPI) 3.00% pa.

Council was notified of the 30 June 2022 VBI during August 2022 (2021: August 2021). Vision Super has advised that the estimated VBI at June 2023 was 104.1%.

The VBI is used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2023 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

(a) Regular contributions

On the basis of the results of the 2022 interim actuarial investigation conducted by the Fund Actuary, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2023, this rate was 10.5% of members' salaries (10.0% in 2021/22). This rate is expected to increase in line with any increases in the SG contribution rate and was reviewed as part of the 30 June 2022 interim 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.

(b) 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 2022 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 is conducted every three years and interim actuarial investigations are conducted for each intervening year. An interim investigation was conducted as at 30 June 2022 and the last full investigation was conducted as at 30 June 2020.

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

	2022 (Interim) \$m	2021 (Interim) \$m
- A VBI Surplus	44.6	214.7
- A total service liability surplus	105.8	270.3
- A discounted accrued benefits surplus	111.9	285.2

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 2022.

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 2022.

Notes to the Financial Statement

For the year ended 30 June 2023

Note 9. Other matters continued

The discounted accrued benefits 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 2022.

The 2023 triennial actuarial investigation

An triennial actuarial investigation is being conducted for the Fund's position as at 30 June 2023. It is anticipated that this actuarial investigation will be completed by 31 December 2023. The financial assumptions for the purposes of this investigation are:

	2023 Triennial Investigation	2020 Triennial Investigation
Net investment return	5.7% pa	5.6% pa
Salary information	3.5% pa	2.5% pa for the first two years and 2.75% thereafter
Price inflation	2.8% pa	2.0% pa

Superannuation contributions

Contributions by Council (excluding any unfunded liability payments) to the above superannuation plans for the financial year ended 30 June 2022 are detailed below:

Scheme	Type of scheme	Rate	2023 \$ '000	2022 \$ '000
Vision Super	Defined Benefits	10.5% (2022:10.0%)	24	19
Vision Super	Accumulation	10.5% (2022:10.0%)	331	331

In addition to the above contributions, Council has paid unfunded liability payments to Vision Super totalling \$NIL (2020/21 \$NIL). There were no contributions outstanding and no loans issued from or to the above schemes as at 30 June 2023.

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2023 is \$20k.

Notes to the Financial Statement

For the year ended 30 June 2023

Note 10. Changes in accounting policies

There have been no changes to accounting policies in the 2021-22 year.

Mansfield Shire Council

Performance Statement

For the year ended 30 June 2023

Performance Statement

For the year ended 30 June 2023

Performance Statement

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 2020 and Local Government (Planning and Reporting) Regulations 2020.

Basis of Preparation

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

The performance statement presents the actual results for the current year and for the prescribed financial performance indicators and measures, the results forecast by the council's strategic resource plan. The Local Government (Planning and Reporting) Regulations 2020 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 2022 Budget escalated where relevant. The financial 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 Annual Financial Statements. The financial plan can be obtained by contacting council.

Sustainable Capacity Indicators

For the year ended 30 June 2023

<i>Indicator / measure</i> [formula]	Results				Comment
	2020	2021	2022	2023	
Population					
<i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$2,330.86	\$2,567.76	\$2,600.31	\$2,584.90	
<i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$17,870.97	\$17,996.66	\$18,531.83	\$19,563.38	
<i>Population density per length of road</i> [Municipal population / Kilometres of local roads]	10.96	11.32	11.67	12.27	
Own-source revenue					
<i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$1,759.02	\$1,752.48	\$1,773.72	\$1,877.40	
Recurrent grants					
<i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$589.77	\$514.78	\$683.26	\$604.67	The fall in recurrent grants per head of municipal population (\$78.6 per head) is due to a decline in recurrent grant revenue and an increase in population with relative contributions to the variance of 47% and 53%.
Disadvantage					

PERFORMANCE STATEMENT FOR THE YEAR ENDED 30 JUNE 2023

<i>Indicator / measure</i> [formula]	Results				Comment
	2020	2021	2022	2023	
<i>Relative Socio-Economic Disadvantage</i> [Index of Relative Socio-Economic Disadvantage by decile]	7.00	7.00	7.00	8.00	The increase from the decile 7 in 2016 to decile 8 in 2021 follows an increase in the SEIFA of advantage and disadvantage score from 986 in 2016 to 989 in 2021.
Workforce turnover <i>Percentage of staff turnover</i> [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	10.7%	17.8%	27.9%	18.1%	In 2021-22 the staff turnover was unfavourably impacted by Council's cessation of Home and Community Care services on 30 June 2022. This variance is reversed in 2022-23. Also in 2022-23 the recording process has changed to exclude fixed term employee departures, resulting in a fall of 3.4% in the ratio. The remaining decrease can be attributed to a significant effort over the past 12 months to build a positive workplace culture.

Definitions (Sustainable Capacity Indicators)

"adjusted underlying revenue" means total income other than:

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

"infrastructure" means non-current property, plant and equipment excluding land

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

"population" means the resident population estimated by council

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

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

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

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

Service Performance Indicators

For the year ended 30 June 2023

Service / <i>indicator</i> / <i>measure</i> [formula]	Results				Comment
	2020	2021	2022	2023	
Aquatic Facilities Utilisation <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	1.82	1.26	0.87	0.91	
Animal Management Health and safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions / Number of animal management prosecutions] x 100	0%	0%	0%	0%	
Food Safety Health and safety <i>Critical and major non-compliance outcome notifications</i> [Number of critical non-compliance outcome notifications and major non- compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100	31.25%	97.37%	94.29%	97.37%	
Governance Satisfaction <i>Satisfaction with council decisions</i> [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	48	56	57	54	
Libraries Participation <i>Active library borrowers in municipality</i> [Number of active library borrowers in the last three years / The sum of the population for the last three years] x100	17.28%	15.10%	13.50%	12.45%	
Maternal and Child Health (MCH)					

PERFORMANCE STATEMENT FOR THE YEAR ENDED 30 JUNE 2023

Results					
Service / <i>indicator</i> / <i>measure</i> [formula]	2020	2021	2022	2023	Comment
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] x100	83.65%	87.23%	83.01%	85.85%	Increase in participation has been noted
Participation <i>Participation in the MCH service by Aboriginal children</i> [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	90.91%	83.33%	100.00%	100.00%	Excellent participation consistent with previous year
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	57	57	49	The result appears to have been affected by condition issues on roads managed by DoT. Feedback from the community has highlighted this issue.
Statutory Planning Decision making <i>Council planning decisions upheld at VCAT</i> [Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	0.00%	100.00%	100.00%	0.00%	No planning decisions were determined at VCAT
Waste Collection Waste diversion <i>Kerbside collection waste diverted from landfill</i> [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	35.58%	35.02%	33.92%	32.45%	

Definitions (Service Performance Indicators)

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

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

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

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

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

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

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

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

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

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

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

"population" means the resident population estimated by council

Financial Performance Indicators

For the year ended 30 June 2023

Dimension / <i>indicator</i> / <i>measure</i> [formula]	Results				Forecasts				Material Variations and Comments
	2020	2021	2022	2023	2024	2025	2026	2027	
Efficiency									
Expenditure level									
<i>Expenses per property assessment</i> [Total expenses / Number of property assessments]	\$2,720.43	\$3,027.63	\$3,165.88	\$3,333.88	\$3,119.13	\$3,190.75	\$3,283.13	\$3,365.13	
Revenue level									
<i>Average rate per property assessment</i> [Total rate revenue (general rates and municipal charges) / Number of property assessments]	\$1,536.76	\$1,563.29	\$1,594.13	\$1,637.25	\$1,735.75	\$1,814.50	\$1,890.25	\$1,968.00	
Liquidity									
Working capital									
<i>Current assets compared to current liabilities</i> [Current assets / Current liabilities] x100	303.57%	296.57%	252.73%	192.20%	581.85%	535.40%	523.26%	509.01%	The prepaid grants liability balance increased by \$3 million (134% increase) in 2022-23 compared to the prior year.
Unrestricted cash									
<i>Unrestricted cash compared to current liabilities</i>	18.95%	17.11%	42.23%	-54.92%	285.48%	284.48%	283.28%	276.99%	This indicator does not include other financial assets (including

PERFORMANCE STATEMENT FOR THE YEAR ENDED 30 JUNE 2023

Dimension / <i>indicator</i> / <i>measure</i> [formula]	Results				Forecasts				Material Variations and Comments
	2020	2021	2022	2023	2024	2025	2026	2027	
[Unrestricted cash / Current liabilities] x100									investments) of \$16.4 million. Including \$16 million of unrestricted investments in the unrestricted cash balance the result would be 83.37%.
Obligations									
<i>Loans and borrowings</i>									
<i>Loans and borrowings compared to rates</i>	14.81%	12.98%	28.87%	27.18%	22.77%	19.07%	15.53%	12.13%	
[Interest bearing loans and borrowings / Rate revenue] x100									
<i>Loans and borrowings repayments compared to rates</i>	2.25%	1.94%	0.66%	1.24%	3.79%	3.61%	3.47%	3.32%	The Council took out a new loan late in the 2021-22 financial year.
[Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100									
<i>Indebtedness</i>									
<i>Non-current liabilities compared to own source revenue</i>	14.84%	13.98%	28.70%	31.19%	21.33%	18.96%	15.61%	12.23%	
[Non-current liabilities / Own source revenue] x100									
<i>Asset renewal and upgrade</i>									
<i>Asset renewal and upgrade compared to depreciation</i>	63.09%	116.42%	162.01%	183.07%	180.64%	145.12%	135.28%	138.53%	Council continues to increase its investment in

PERFORMANCE STATEMENT FOR THE YEAR ENDED 30 JUNE 2023

Dimension / <i>indicator</i> / <i>measure</i> [formula]	Results				Forecasts				Material Variations and Comments
	2020	2021	2022	2023	2024	2025	2026	2027	
[Asset renewal and asset upgrade expense / Asset depreciation] x100									infrastructure asset renewal.
Operating position									
Adjusted underlying result									
<i>Adjusted underlying surplus (or deficit)</i>	2.44%	-1.50%	1.16%	2.71%	5.74%	3.35%	3.90%	4.78%	Rates and charges revenue growth was greater than the increase in controllable costs.
[Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100									
Stability									
Rates concentration									
<i>Rates compared to adjusted underlying revenue</i>	65.09%	62.03%	59.05%	61.08%	67.24%	70.38%	70.82%	71.27%	
[Rate revenue / Adjusted underlying revenue] x100									
Rates effort									
<i>Rates compared to property values</i>	0.38%	0.37%	0.34%	0.27%	0.24%	0.25%	0.25%	0.25%	Increasing property values in a rate capped environment contribute to this outcome
[Rate revenue / Capital improved value of rateable properties in the municipality] x100									

Definitions (Financial Performance Indicators)

"adjusted underlying revenue" means total income other than:

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

"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.

Certification of the Performance Statement

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



Julie Williams, CPA

Principle Accounting Officer

5 December 2023

In our opinion, the accompanying performance statement of the Mansfield Shire Council for the year ended 30 June 2023 presents fairly the results of council's performance in accordance with the *Local Government Act 2020* and the Local Government (Planning and Reporting) Regulations 2020.

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

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

We have been authorised by the council and by the Local Government (Planning and Reporting) Regulations 2020 to certify this performance statement in its final form.



James Tehan

Councillor

5 December 2023



Mark Holcombe

Councillor

5 December 2023



Kirsten Alexander

Chief Executive Officer

5 December 2023

Victorian Auditor-General's Office Report



Independent Auditor's Report

To the Councillors of Mansfield Shire Council

Opinion I have audited the accompanying performance statement of Mansfield Shire Council (the council) which comprises the:

- description of municipality for the year ended 30 June 2023
- sustainable capacity indicators for the year ended 30 June 2023
- service performance indicators for the year ended 30 June 2023
- financial performance indicators for the year ended 30 June 2023
- other information and
- certification of the performance statement.

In my opinion, the performance statement of Mansfield Shire Council in respect of the year ended 30 June 2023 presents fairly, in all material respects, in accordance with the performance reporting requirements of Part 4 of the *Local Government Act 2020* and *Local Government (Planning and Reporting) Regulations 2020*.

Basis for Opinion I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the performance statement* section of my report.

My independence is established by the *Constitution Act 1975*. 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 Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the performance statement in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Councillors' responsibilities for the performance statement The Councillors are responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the *Local Government Act 2020* and the *Local Government (Planning and Reporting) Regulations 2020* and for such internal control as the Councillors determines is necessary to enable the preparation and fair presentation of a performance statement that is free from material misstatement, whether due to fraud or error.

Victorian Auditor-General's Office Report continued

Auditor's responsibilities for the audit of the performance statement

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

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

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

MELBOURNE
6 December 2023




Travis Derricollt
as delegate for the Auditor-General of Victoria



Mansfield Shire



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