



MANNINGHAM

COUNCIL MEETING

MINUTES

| | |
|------------------|--|
| Date: | Tuesday, 14 September 2021 |
| Time: | 6:30pm |
| Location: | held via Zoom conferencing in accordance with section 394 of the <i>Local Government Act 2020</i> |

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**MANNINGHAM CITY COUNCIL
MINUTES OF THE COUNCIL MEETING
HELD ON 14 SEPTEMBER 2021 AT 6:30PM
VIA ZOOM CONFERENCING IN ACCORDANCE WITH
SECTION 394 OF THE *LOCAL GOVERNMENT ACT 2020***

The meeting commenced at 6:30pm.

PRESENT: Councillor Andrew Conlon (Mayor)
Councillor Anna Chen (Deputy Mayor)
Councillor Deirdre Diamante
Councillor Geoff Gough
Councillor Michelle Kleinert
Councillor Carli Lange
Councillor Tomas Lightbody
Councillor Laura Mayne
Councillor Stephen Mayne

OFFICERS PRESENT: Chief Executive Officer, Mr Andrew Day
Director City Planning & Community, Mr Angelo Kourambas
Acting Director Shared Services, Mr David Bellchambers
Director City Services, Ms Rachelle Quattrocchi
Corporate Counsel and Group Manager Governance & Risk,
Mr Andrew McMaster
Group Manager People and Communications,
Ms Kerryn Paterson

**1 OPENING PRAYER AND STATEMENTS OF
ACKNOWLEDGEMENT**

The Mayor read the Opening Prayer & Statements of Acknowledgement.

2 APOLOGIES AND REQUESTS FOR LEAVE OF ABSENCE

There were no apologies.

3 PRIOR NOTIFICATION OF CONFLICT OF INTEREST

The Chairperson asked if there were any written disclosures of a conflict of interest submitted prior to the meeting and invited Councillors to disclose any conflict of interest in any item listed on the Council Agenda.

There were no disclosures made.

4 PUBLIC QUESTION TIME

There were no Questions from the public.

5 2020/21 FINANCIAL REPORT AND PERFORMANCE STATEMENT: APPROVAL IN PRINCIPLE

| | |
|-----------------------|--|
| File Number: | IN21/558 |
| Responsible Director: | Chief Financial Officer |
| Attachments: | 1 Financial Report - 2020/21 ↓ 2 Performance Statement - 2020/21 ↓ 3 Governance and Management Checklist - 2020/21 ↓ |

EXECUTIVE SUMMARY

The Financial Report and Performance Statement for the year ended 30 June 2021 are presented for consideration and approval in principle.

These have been prepared in accordance with the Australian Accounting Standards and Interpretations, the Local Government Act 1989 and the Local Government (Planning and Reporting) Regulations 2014.

The Financial Report and Performance Statement were reviewed by Council's Audit and Risk Committee on Friday 3 September 2021. The Audit and Risk Committee is satisfied that an appropriate external audit process has been undertaken and that the Committee's review did not identify any issues that would prevent Council from approving the Financial Report and Performance Statement "in principle" for submission to the Auditor-General.

A detailed audit of the Financial Report and Performance Statement was undertaken by the Auditor-General during August 2021. The "Draft Closing Report – Manningham City Council for the year ended 30 June 2021" prepared by the Auditor-General and his agent HLB Mann Judd concluded that the 2020/21 Financial Report (Attachment 1) and 2020/21 Performance Statement (Attachment 2) "present fairly".

The Financial Report, Performance Statement and Governance and Management checklist will be reproduced in full in Council's 2020/21 Annual Report.

COUNCIL RESOLUTION

MOVED: CR STEPHEN MAYNE
SECONDED: CR GEOFF GOUGH

That Council:

- A. Notes that the Audit and Risk Committee is satisfied that an appropriate external audit process has been undertaken on the 2020/21 Financial Report and 2020/21 Performance Statement.**
- B. Authorises Councillor Andrew Conlon and Councillor Anna Chen to certify the 2020/21 Financial Report and 2020/21 Performance Statement in their final form. In the event that either Councillor Conlon or Chen is not available, then any other Manningham Councillor is authorised to certify the Financial Report and Performance Statement.**

- C. **Endorses in principle the 2020/21 Financial Report and 2020/21 Performance Statement.**
- D. **Notes the 2020/21 Governance and Management Checklist and authorises Councillor Andrew Conlon to certify the 2020/21 Governance and Management Checklist. In the event that Councillor Conlon is not available, then any other Manningham Councillor is authorised to certify the checklist.**

CARRIED

2. BACKGROUND

- 2.1 The Auditor-General's agent (HLB Mann Judd) has completed a review of the attached Financial Report and Performance Statement and all supporting information. It is anticipated that a clear (or unmodified) audit opinion will be issued for the Financial Report and Performance Statement. However, the Financial Report and Performance Statement remain provisional until final signing by the Auditor-General.
- 2.2 The Financial Report, Performance Statement and the Auditor-General's draft closing report of the 2020/21 Audit was presented to the Audit and Risk Committee (the Committee) on 3 September 2021, and the Committee resolved:
- a) That it is satisfied that an appropriate external audit process has taken place on the proposed financial report and performance statement and is not aware of any issues that would prevent the Council from approving the financial report and performance statement; and*
- b) To recommend that Council approve the 2020/21 Financial Report and 2020/21 Performance Statement in principle for lodging with the Auditor General.*
- 2.3 The "Approved in Principle" Financial Report and Performance Statement are required to be presented to the Auditor-General following the Council Meeting. The Auditor-General is then expected to issue the final signed audit closing report prior to 30 September 2021.
- 2.4 The Financial Statements and Performance Statement will then be incorporated into Council's Annual Report, which is normally due for lodging with the Minister for Local Government by 30 September. The Annual Report will then be formally presented to Council as soon as possible after lodgement in accordance with the Local Government Act.
- 2.5 The Financial Report provides comprehensive reporting of the revenue and expenditure of Council for the 2020/21 financial year and the financial position of Council as at 30 June 2021. The notes accompanying the Financial Statements provide information relevant to Council's accountability obligations and additional information to assist users of the report to form an opinion on the financial performance of Council.
- 2.6 The Performance Statement details a range of service and financial performance indicators.

3. DISCUSSION / ISSUE

- 3.1 The Financial Report of Council is a general purpose financial report that consists of the financial statements which include a comprehensive income statement, balance sheet, statement of changes in equity, cash flow statement, statement of capital works and notes accompanying these financial statements. This general purpose financial report complies with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB), the *Local Government Act 1989* and the Local Government (Planning and Reporting) Regulations 2014.

Financial Summary

- 3.2 Council continued to be in a strong financial position at the end of 2020/21 despite the impact of COVID-19. These results demonstrate our commitment to maintaining long-term financial sustainability while providing cost-effective services and delivering infrastructure projects to meet the needs of our community.
- 3.3 The financial statements present Council in a sound financial position with a low financial sustainability risk.
- 3.4 COVID-19 has again continued to have a financial impact on Council in 2020/21. In response to a decrease in demand and government directives amidst the COVID-19 outbreak, a number of Council services were reduced or closed, including our recreation, leisure and community facilities such as Aquarena, stadiums, pavilions, libraries, community centres, the function centre, the Civic Centre and MC2. These closures resulted in a decrease in Council revenue and other unbudgeted costs.
- 3.5 In 2020/21 Council continued to provide a range of COVID-19 community financial relief measures including:
- The continued ability for ratepayers to apply for special rate repayment arrangements for those qualifying on financial hardship grounds.
 - The continuation of a COVID-19 Community Relief Fund to provide funding to sectors of the community in need.
 - The continuation of rent and lease relief, and utility subsidies, for sporting clubs, community groups and commercial tenants who use Council facilities.
 - Discounts and further reduction on a range of business permits.
- 3.6 Council continues to closely monitor the impact of the COVID-19 pandemic and work with the community through these challenging times with further relief being provided to the community in 2021/22.
- 3.7 Key finance facts:
- \$28.96 million surplus (before asset revaluation increment)
 - \$7.93 million adjusted underlying surplus (after adjusting for open space contributions, developer contributions, non-recurrent capital grant income and other capital contributions income – which are all to be used for specific purposes)

- \$2.25 billion net assets, an increase of \$119.66 million on 2019/20 values
- \$90.69 million net asset revaluation increment in 2020/21
- \$87.92 million cash and term deposits.

Operating position

3.8 An operating surplus of \$28.96 million was achieved in 2020/21, \$16.35 million greater than the adopted budget surplus of \$12.63 million.

3.9 It is important to note that the adjusted underlying surplus, which removes income that is tied to specific purposes, was \$7.93 million for the year. The adjusted underlying surplus excludes open space contributions, developer contributions, non-recurrent capital grant income and other capital contributions income – which are all to be used for specific purposes.

3.10 This was mainly due to:

- Contributions non-monetary being \$9.70 million greater than budget – this is the value of land under roads, land, building, drainage pipes and pits and other infrastructure assets transferred to Manningham by developers.
- Contributions monetary were \$1.30 million greater than budget - Developers' cash contributions in lieu of public open space and infrastructure requirements were \$0.69 million higher than budget and relate to the level of development in Manningham. These funds are placed into a cash backed reserve to be used to fund recreation and open space improvements for the community. Capital Contributions of \$0.53 million were also received for capital works projects during the year.
- Grants – operating were \$2.31 million greater than budget. This is mainly due to the unbudgeted receipt of the \$1.8 million Working for Victoria Program funding from the State Government and unbudgeted \$0.14 million Commonwealth Government support funding for COVID-19 Meals Program funding under the Commonwealth Home Support Program (CHSP). In addition, The Local Councils Outdoor Eating & Entertainment Package funding agreement has provided \$0.3 million of unbudgeted funding through Place Making Victoria.
- User fees and charges were \$2.24 million less than budget due to the impact of COVID-19 on Council's services
- Materials, services and contracts were \$2.82 million less than budget due to restrictions and lockdowns impacting the ability to deliver operating initiatives.

Net worth

3.11 Our financial strength can be assessed by net assets (what we own less what we owe). As at 30 June 2021, Council's net assets were \$2.25 billion.

Assets

3.12 Manningham has total assets of \$2.31 billion. The major components of our assets include infrastructure, property, plant and equipment valued at \$2.19 billion and cash and investments of \$87.92 million.

Liabilities

3.13 Our liabilities primarily include amounts owed to suppliers and amounts owed to employees for leave entitlements. Total liabilities at 30 June 2021 were \$57.84 million, an increase of \$3.03 million over the previous year.

3.14 At 30 June 2021 Council was debt free.

Capital Works

3.15 Council aims to maintain its infrastructure assets at expected levels while continuing to deliver services needed by our community. During 2020/21, we invested \$42.63 million in an extensive Capital Works Program to renew and upgrade community assets throughout the municipality. This program was funded primarily through rates, with additional funds provided through grants and contributions.

3.16 The major categories of capital works included:

- roads, drainage, footpaths and cycleways \$16.13 million
- community and council building refurbishment and upgrades \$15.37 million
- parks, open space and streetscapes \$3.61 million
- land \$2.48 million.

Liquidity

3.17 Cash and investments at 30 June 2021 were \$87.92 million, a decrease of \$1.40 million from the previous year.

3.18 The working capital ratio, which assesses our ability to meet current commitments, is calculated by measuring our current assets as a percentage of current liabilities. Our ratio of 180% indicates that for every dollar of short-term liabilities, we have \$1.80 worth of current assets. This is a strong result.

Rate cap

3.19 This was the fourth year of the Victorian Government's 'Fair Go Rates' legislation. Manningham complied the 2.00% rate cap for 2020/21. We continued to follow the strategies we set last year to ensure our long-term financial sustainability in a rate capping environment.

Performance Statement

3.20 The Performance Statement details a range of service and financial performance indicators. This is also audited by the Victorian Auditor-General. Highlights from the Performance Statement include:

Financial Indicators:

- Working capital ratio of 180% in 2021 and averaging 140% in the forward four year forecasts, highlighting a strong liquidity capacity of Council;

- The adjusted underlying result ratio was 5.8% in 2020/21. This is a healthy result despite the financial impact on Council of the COVID-19 pandemic. The forecast levels are expected to remain in a healthy range; and
- The Asset renewal and upgrade ratio was a very strong 120% in 2020/21. The 2020/21 result and forecasts from 2021/22 onwards demonstrates Manningham's ongoing commitment to invest in the renewal and upgrade of its existing community infrastructure.

Service Performance Indicators:

The COVID-19 pandemic has impacted on a number of indicators in 2020/21 such as:

- Aquatic Facilities – Utilisation of the Aquatic facility was 1.66 visits per resident which was significantly lower than previous years with the facility closed or under reduced capacity due to ongoing lockdowns and restrictions associated with COVID-19. The facility was fully closed for 100 days, open with limited density and caps for 202 days, and 63 days where the outdoor 50m pool was the only area of the facility open.
- Libraries - Library participation was 12.32% and was impacted by COVID-19 restrictions, with libraries closed or reopened with reduced services.

On a positive note:

- Satisfaction with council decisions – this has increased to 58 (up from 57 in the previous three years). Our Council continues to work to improve community satisfaction with council decisions. We have seen a positive increase in the result for this year from the annual Community Satisfaction Survey. This survey is conducted by an independent research company on behalf of the Victorian Government.
- Statutory Planning (Council planning decisions upheld at VCAT) - We have seen an increase in the overall percentage of decisions upheld at the tribunal from 51.35% in 2019/20 to 63.33% in 2020/21. In 2020/21, 5 of 11 decisions set aside were successfully negotiated at compulsory conference or through outside negotiations with the permit applicant.

The 2020/21 Annual Report will detail service and financial highlights from the 2020/21 year and also reproduce the Financial Report and Performance Statement in full.

4. COUNCIL PLAN / STRATEGY

- 4.1 The Financial Report and the Performance Statement are a historical reflection of Council's 2020/21 financial performance and performance against key initiatives identified within the 2017-2021 Council Plan.

5. IMPLEMENTATION

- 5.1 Finance / Resource Implications

The outcomes contained in the Financial Report will form the starting basis for the 2021/22 review of Council's 10 Year Long Term Financial Plan.

5.2 Communication and Engagement

The Financial Report, Performance Statement and Governance and Management Checklist will be published in Council's 2020/21 Annual Report. Performance indicators from the Performance Statement will also be published on the Know Your Council website.

5.3 Timelines

Following approval in principle by Council, the Financial Report and Performance Statement will be submitted to the Auditor-General's Office for final audit clearance, which should be received prior to 30 September 2021.

6. DECLARATIONS OF CONFLICT OF INTEREST

No Officers involved in the preparation of this report have any general or material conflict of interest in this matter.

MANNINGHAM CITY COUNCIL
ANNUAL FINANCIAL REPORT
For the Year Ended 30 June 2021

MANNINGHAM CITY COUNCIL
Financial Report
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Certification of the Financial Statements

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

Jon Gorst (BCom, CPA)
Principal Accounting Officer
14 September 2021
Doncaster

In our opinion, the accompanying financial statements present fairly the financial transactions of Manningham City Council for the year ended 30 June 2021 and the financial position of 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 2014* to certify the financial statements in their final form.

Andrew Conlon
Mayor
14 September 2021
Doncaster

Anna Chen
Deputy Mayor
14 September 2021
Doncaster

Andrew Day
Chief Executive Officer
14 September 2021
Doncaster

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MANNINGHAM CITY COUNCIL
2020/21 Financial Report

**Comprehensive Income Statement
For the Year Ended 30 June 2021**

| | Note | 2021 \$'000 | 2020 \$'000 |
|---|---------|----------------|-----------------|
| Income | | | |
| Rates and charges | 3.1 | 109,683 | 105,953 |
| Statutory fees and fines | 3.2 | 3,055 | 3,389 |
| User fees and charges | 3.3 | 6,621 | 8,919 |
| Grants - operating | 3.4 (a) | 13,641 | 12,257 |
| Grants - capital | 3.4 (b) | 3,622 | 1,661 |
| Contributions - monetary | 3.5 | 8,161 | 10,152 |
| Contributions - non-monetary | 3.5 | 10,696 | 8,324 |
| Net gain/(loss) on disposal of property, infrastructure, plant and equipment | 3.6 | 26 | (1,595) |
| Other income | 3.7 | 2,118 | 2,573 |
| Share of surplus/(deficit) from investment in associate | 6.2 | 300 | 221 |
| Total income | | 157,923 | 151,854 |
| Expenses | | | |
| Employee costs | 4.1 | 56,221 | 54,120 |
| Materials, services and contracts | 4.2 | 27,853 | 28,469 |
| Depreciation | 4.3 | 23,557 | 22,175 |
| Amortisation - Intangible assets | 4.4 | 2,049 | 1,243 |
| Amortisation - Right of use assets | 4.5 | 422 | 528 |
| Bad and doubtful debts | 4.6 | 258 | 190 |
| Borrowing costs | 4.7 | - | 109 |
| Finance costs - Leases | 4.8 | 57 | 73 |
| Other expenses | 4.9 | 18,544 | 18,619 |
| Total expenses | | 128,961 | 125,526 |
| Surplus/(deficit) for the year | | 28,962 | 26,328 |
| Other comprehensive income | | | |
| Item that will not be reclassified to surplus or deficit in future periods | | | |
| Net asset revaluation increment/(decrement) | 9.1 (a) | 90,694 | (60,921) |
| Total comprehensive result | | 119,656 | (34,593) |

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

Balance Sheet
As at 30 June 2021

| | Note | 2021 \$'000 | 2020 \$'000 |
|---|---------|------------------|------------------|
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | 5.1 (a) | 44,305 | 65,358 |
| Trade and other receivables | 5.1 (c) | 16,079 | 13,463 |
| Other financial assets | 5.1 (b) | 32,587 | 21,163 |
| Other assets | 5.2 (a) | 2,035 | 1,410 |
| Total current assets | | 95,006 | 101,394 |
| Non-current assets | | | |
| Trade and other receivables | 5.1 (c) | 405 | 55 |
| Other financial assets | 5.1 (b) | 11,031 | - |
| Investments in associates | 6.2 | 2,826 | 2,526 |
| Property, infrastructure, plant, equipment and other fixed assets | 6.1 | 2,193,571 | 2,078,289 |
| Right-of-use assets | 5.7 | 2,270 | 2,653 |
| Intangible assets | 5.2 (b) | 7,443 | 4,947 |
| Total non-current assets | | 2,217,546 | 2,088,470 |
| Total assets | | 2,312,552 | 2,189,864 |
| Liabilities | | | |
| Current liabilities | | | |
| Trade and other payables | 5.3 (a) | 17,249 | 21,997 |
| Trust funds and deposits | 5.3 (b) | 13,545 | 13,385 |
| Unearned income | 5.3 (c) | 9,519 | 2,361 |
| Provisions | 5.4 | 13,748 | 12,974 |
| Lease liabilities | 5.7 | 314 | 403 |
| Total current liabilities | | 54,375 | 51,120 |
| Non-current liabilities | | | |
| Provisions | 5.4 | 1,454 | 1,402 |
| Lease liabilities | 5.7 | 2,008 | 2,283 |
| Total non-current liabilities | | 3,462 | 3,685 |
| Total liabilities | | 57,837 | 54,805 |
| Net Assets | | 2,254,715 | 2,135,059 |
| Equity | | | |
| Accumulated surplus | | 789,554 | 759,511 |
| Reserves | 9.1 | 1,465,161 | 1,375,548 |
| Total Equity | | 2,254,715 | 2,135,059 |

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

**Statement of Changes in Equity
For the Year Ended 30 June 2021**

| 2021 | Note | Accumulated surplus \$'000 | Asset revaluation reserves \$'000 | Other reserves \$'000 | Total \$'000 |
|--|---------|----------------------------------|--|-----------------------------|------------------|
| Balance at beginning of the financial year | | 759,511 | 1,361,262 | 14,286 | 2,135,059 |
| Surplus for the year | | 28,962 | - | - | 28,962 |
| Net asset revaluation increment/(decrement) | 9.1 (a) | - | 90,694 | - | 90,694 |
| Transfer to accumulated surplus on realisation of assets | 9.1 (a) | (7) | 7 | - | - |
| Transfers from other reserves | 9.1 (b) | 8,636 | - | (8,636) | - |
| Transfers to other reserves | 9.1 (b) | (7,548) | - | 7,548 | - |
| Balance at end of the financial year | | 789,554 | 1,451,963 | 13,198 | 2,254,715 |

| 2020 | Note | Accumulated surplus \$'000 | Asset revaluation reserves \$'000 | Other reserves \$'000 | Total \$'000 |
|--|---------|----------------------------------|--|-----------------------------|------------------|
| Balance at beginning of the financial year | | 738,643 | 1,422,479 | 9,227 | 2,170,349 |
| Impact of change in accounting policy - AASB 1058 | | (697) | - | - | (697) |
| Income of Not-for-Profit Entities | | - | - | - | - |
| Adjusted opening balance | | 737,946 | 1,422,479 | 9,227 | 2,169,652 |
| Surplus for the year | | 26,328 | - | - | 26,328 |
| Net asset revaluation increment/(decrement) | 9.1 (a) | - | (60,921) | - | (60,921) |
| Transfer to accumulated surplus on realisation of assets | 9.1 (a) | 296 | (296) | - | - |
| Transfers from other reserves | 9.1 (b) | 4,511 | - | (4,511) | - |
| Transfers to other reserves | 9.1 (b) | (9,570) | - | 9,570 | - |
| Balance at end of the financial year | | 759,511 | 1,361,262 | 14,286 | 2,135,059 |

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

Statement of Cash Flows
For the Year Ended 30 June 2021

| | Note | 2021 Inflows/(Outflows) \$'000 | 2020 Inflows/(Outflows) \$'000 |
|---|---------|--------------------------------------|--------------------------------------|
| Cash flows from operating activities | | | |
| Rates and waste charges | | 108,005 | 103,955 |
| Statutory fees, fines and user charges | | 8,956 | 13,171 |
| Grants - operating | | 12,877 | 12,614 |
| Grants - capital | | 11,070 | 2,142 |
| Contributions - monetary | | 8,161 | 10,152 |
| Interest received | | 536 | 1,554 |
| Net increase in trust funds and deposits | | 160 | 811 |
| Other receipts | | 1,261 | 1,120 |
| Net GST refund/(payment) | | (168) | (357) |
| Materials, services and contracts | | (60,069) | (45,748) |
| Short-term, low value and variable lease payments | | (407) | (379) |
| Employee costs | | (54,199) | (52,861) |
| Net cash provided by/(used in) operating activities | 9.2 | 36,183 | 46,174 |
| Cash flows from investing activities | | | |
| Payments for property, plant and equipment, infrastructure, and other fixed assets | | (34,928) | (39,898) |
| Proceeds from disposal of property, infrastructure, plant, equipment and other fixed assets | 3.6 | 607 | 655 |
| Receipts/(payments) for other financial assets | | (22,455) | 2,537 |
| Net cash provided by/(used in) investing activities | | (56,776) | (36,706) |
| Cash flows from financing activities | | | |
| Finance costs | | - | (109) |
| Repayment of borrowings | | - | (7,279) |
| Interest paid - lease liability | | (57) | (73) |
| Repayment of lease liabilities | | (403) | (991) |
| Net cash provided by/(used in) financing activities | | (460) | (8,452) |
| Net increase/(decrease) in cash and cash equivalents | | (21,053) | 1,016 |
| Cash and cash equivalents at the beginning of the financial year | | 65,358 | 64,342 |
| Cash and cash equivalents at the end of the financial year | 5.1 (a) | 44,305 | 65,358 |
| Financing arrangements | 5.6 | | |
| Restrictions on cash assets | 5.1 | | |

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

MANNINGHAM CITY COUNCIL
2020/21 Financial Report

Statement of Capital Works
For the Year Ended 30 June 2021

| | 2021 \$'000 | 2020 \$'000 |
|--|----------------|----------------|
| Property | | |
| Land | 2,473 | - |
| Land under roads | 8 | 212 |
| Buildings | 8,190 | 8,438 |
| Total property | 10,671 | 8,650 |
| Plant, equipment and other assets | | |
| Plant, machinery and equipment | 943 | 2,078 |
| Fixtures, fittings and furniture | 135 | 153 |
| Computers and telecommunications | 86 | 237 |
| Artworks | - | 13 |
| Total plant, equipment and other assets | 1,164 | 2,481 |
| Infrastructure | | |
| Roads | 9,416 | 15,641 |
| Bridges | 83 | 10 |
| Footpaths and cycleways | 3,019 | 5,506 |
| Off street car parks | 346 | 78 |
| Drainage | 3,608 | 4,652 |
| Recreational, leisure and community facilities | 7,177 | 3,360 |
| Parks, open space and streetscapes | 3,609 | 4,317 |
| Total infrastructure | 27,258 | 33,564 |
| Intangible assets | | |
| Software | 3,537 | 3,748 |
| Total intangible assets | 3,537 | 3,748 |
| Total capital works expenditure | 42,630 | 48,443 |
| Represented by: | | |
| New asset expenditure | 13,094 | 11,583 |
| Asset renewal expenditure | 21,103 | 31,502 |
| Asset expansion expenditure | 1,699 | 1,097 |
| Asset upgrade expenditure | 6,734 | 4,261 |
| Total capital works expenditure | 42,630 | 48,443 |

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

Notes to the Financial Report For the Year Ended 30 June 2021

Overview

Introduction

The City of Manningham was established by an Order of the Governor in Council on 15 December 1994 and is a body corporate. The Council's main office is located at 699 Doncaster Road, Doncaster, Victoria.

Statement of compliance

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

Significant accounting policies

(a) Basis of accounting

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

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

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

- 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 5.4);
- 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 5.7)
- whether or not AASB 1059 *Service Concession Arrangements: Grantors* is applicable (refer to Note 10)
- other areas requiring judgements.

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.

(b) Impact of COVID-19 pandemic - significant accounting policies

On 16 March 2020 a state of emergency was declared in Victoria due to the global pandemic COVID-19 virus, known as coronavirus. A state of disaster was subsequently declared on 2 August 2020. While the impacts of the pandemic have abated somewhat through the 2020-21 year, Council has noted the following significant impacts on its financial operations:

COVID-19 lockdowns and restrictions had the following financial impacts on Council:

Government Grant revenue of \$2.6 million

* \$1.8 million of State Government grant funding was provided in 2020/21 to support critical community services as part of the Working for Victoria Program. The purpose of this funding was to provide employment opportunities for Victorian workers impacted by COVID-19. This grant funding was used to fund 42 FTEs for a period of 6 months across the organisation.

* \$0.4 million of COVID-19 Local Roads and Community Infrastructure Program Commonwealth Government grant funding from the Department of Infrastructure, Transport, Regional Development and Communications.

* \$0.3 million of Local Councils Outdoor Eating & Entertainment Package State Government grant funding was provided to assist in the implementation of swift and streamlined permit, enforcement and monitoring processes to support expanded outdoor dining and entertainment in the Third Step of Victoria's roadmap to reopening.

* \$0.1 million of Commonwealth Government grant funding for the COVID-19 Meals Program under the Commonwealth Home Support Program (CHSP).

Significant accounting policies (cont.)**(b) Impact of COVID-19 pandemic - significant accounting policies (cont.)****Additional costs of \$2.3 million (not offset by Government grant funding)**

- * \$1.4 million contract variation payments to support council facilities managed under contract during lockdowns and restrictions
- * \$0.6 million in cleaning to improve public hygiene, including providing sanitising stations, wall dispensers, service desk shields
- * \$0.3 million of Personal protective equipment purchases

Loss of income of \$2.7 million

- * \$1.4 million of Function Centre & Hall Hire income
- * \$0.7 million of Parking Infringement income
- * \$0.2 million of Art Studio income
- * \$0.2 million of income from council facilities managed under contract
- * \$0.1 million of food premises registration fees
- * \$0.1 million of City compliance fines

In addition, approximately \$1.4 million of community financial relief related measures were provided to our community over the year:

- * \$0.7 million as COVID Relief Fund
- * \$0.4 million to support Community Groups and Sporting Clubs as rent & outgoings relief
- * \$0.3 million to support commercial tenants

Asset valuations

Council's Valuers' observations are that the evolving economic impact from the COVID19 pandemic on Council's real property assets (Land and Buildings) is considered minimal in broad terms.

The majority of Council's properties are designated for community use which has limited exposure to the severely impacted commercial and retail properties market due to ongoing lockdowns and travel restrictions.

Notes to the Financial Report
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Note 1 Performance against budget

The performance against budget notes compare Council's financial plan, expressed through its annual budget, with actual performance. The *Local Government (Planning and Reporting) Regulations 2014* requires explanation of any material variances. Council has adopted a materiality threshold of lower of 10% or \$500,000 to budget on a line item basis, or where further explanation is warranted. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

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

1.1 Income and expenditure

| | Budget 2021 \$'000 | Actual 2021 \$'000 | Variance 2021 \$'000 | Variance 2021 % | Ref |
|--|--------------------------|--------------------------|----------------------------|-----------------------|-----|
| Income | | | | | |
| Rates and charges | 108,652 | 109,683 | 1,031 | 0.95 | 1 |
| Statutory fees and fines | 3,691 | 3,055 | (636) | (17.23) | 2 |
| User fees and charges | 8,861 | 6,621 | (2,240) | (25.28) | 3 |
| Contributions - monetary | 6,855 | 8,161 | 1,306 | 19.05 | 4 |
| Contributions - non-monetary | 1,000 | 10,696 | 9,696 | 969.60 | 5 |
| Grants - operating | 11,334 | 13,641 | 2,307 | 20.35 | 6 |
| Grants - capital | 2,759 | 3,622 | 863 | 31.28 | 7 |
| Other income | 1,526 | 2,118 | 592 | 38.79 | 8 |
| Net gain/(loss) on disposal of property, infrastructure, plant and equipment | 36 | 26 | (10) | (27.78) | |
| Share of surplus/(deficit) from investment in associate | - | 300 | 300 | 100.00 | 9 |
| Total income | 144,714 | 157,923 | 13,209 | | |
| Expenses | | | | | |
| Employee costs | 55,807 | 56,221 | (414) | (0.74) | 10 |
| Materials, services and contracts | 30,669 | 27,853 | 2,816 | 9.18 | 11 |
| Depreciation | 23,082 | 23,557 | (475) | (2.06) | |
| Amortisation - Intangible assets | 2,425 | 2,049 | 376 | 15.51 | 12 |
| Amortisation - Right of use assets | 419 | 422 | (3) | (0.72) | 13 |
| Bad and Doubtful debts | - | 258 | (258) | (100.00) | |
| Finance costs - Leases | 95 | 57 | 38 | 40.00 | |
| Other expenses | 19,583 | 18,544 | 1,039 | 5.31 | 14 |
| Total expenses | 132,080 | 128,961 | 3,119 | | |
| Surplus/(deficit) for the year | 12,634 | 28,962 | 16,328 | 129.24 | |

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Note 1 Performance against budget (cont.)

1.1 Income and expenditure (cont.)

(i) Explanation of material variations

| Ref. | Item | Explanation |
|------|------------------------------|--|
| 1 | Rates and charges | Outcome: Greater than budget \$1,031,000 or 0.95 % Rates and charges were greater than budget by \$1.03 million due to greater than anticipated general supplementary rates and charges income. |
| 2 | Statutory fees and fines | Outcome: Less than budget \$636,000 or 17.23 % Statutory fees were lower than budget by \$0.64 million mainly due to decreased enforcement activity as a result of the COVID-19 lockdowns and restrictions. The main contributors are Parking Infringements \$0.47 million and Fines \$0.16 million lower than budget. |
| 3 | User fees and charges | Outcome: Less than budget \$2,240,000 or 25.28 % User fees and charges were lower than budget due to the impact of the COVID-19 pandemic on a number of Council's services. The major contributors were: * Hire income for Community Venues and the Function Centre were unfavourable by \$0.67 million due to the COVID-19 lockdowns and restrictions; * Catering income for hires and events was unfavourable by \$0.57 million due to the COVID-19 lockdowns and restrictions; * Recoveries and reimbursements were unfavourable by \$0.34 million due to Covid-19 community relief measures; and * The Art Studios and Child Care Services income were also affected by the COVID-19 pandemic by \$0.44 million. |
| 4 | Contributions - monetary | Outcome: Greater than budget \$1,306,000 or 19.05 % Developers' cash contributions in lieu of public open space and infrastructure requirements were \$0.69 million higher than budget and relate to the level of development in Manningham. These funds are placed into a cash backed reserve to be used to fund recreation and open space improvements for the community. Capital Contributions of \$0.53 million were also received for capital works projects during the year. |
| 5 | Contributions - non-monetary | Outcome: Greater than budget \$9,696,000 or 969.60 % The value of land under roads, land, building, drainage pipes and pits and other infrastructure assets transferred to Manningham by developers was \$9.67 million higher than originally budgeted. |
| 6 | Grants - operating | Outcome: Greater than budget \$2,307,000 or 20.35 % The favourable variance is mainly due to the unbudgeted receipt of the \$1.8 million Working for Victoria Program funding from the State Government and unbudgeted \$0.14 million Commonwealth Government support funding for COVID-19 Meals Program funding under the Commonwealth Home Support Program (CHSP). In addition, The Local Councils Outdoor Eating & Entertainment Package funding agreement has provided \$0.3 million of unbudgeted funding through Place Making Victoria. |
| 7 | Grants - capital | Outcome: Greater than budget \$863,000 or 31.28 % Capital grants from the State and Federal Government for the purpose of funding the Capital Works Program were greater than budgeted by \$0.86 million. This is largely due to \$0.39 million unbudgeted funding received from the Federal Government for the Local Roads and Community Infrastructure (LRCI) Program and \$1.1 million of grants in advance that were received last year were recognised in this financial year for the capital work programs. |
| 8 | Other income | Outcome: Greater than budget \$592,000 or 38.79 % Other income is favourable mainly due to Quarry Royalties being \$0.69 million greater than budget. |

Note 1 Performance against budget (cont.)**1.1 Income and expenditure (cont.)****Explanation of material variations**

| Ref. | Item | Explanation |
|-------------|--|--|
| 9 | Share of surplus/(deficit) from investment in associate | Outcome: Greater than budget \$300,000 or 100.00 % Council has a 33.7 per cent equity interest in the Whitehorse Manningham Regional Library Corporation (WMRL). During the year Manningham's share of the WMRL increased in value by \$0.30 million. |
| 10 | Employee costs | Outcome: Greater than budget \$414,000 or 0.74 % Employee costs for 2020/21 were \$0.41 million or 0.74 per cent greater than budget. Unbudgeted Working for Victoria program employee costs were \$2.09 million (this was fully offset by equivalent unbudgeted State Government funding (refer above) over the period of employment (6 months). In addition, unbudgeted personal protective equipment to the value of \$0.39 million was purchased as part of the response to COVID-19. |
| 11 | Materials, services and contracts | Outcome: Less than budget \$2,816,000 or 9.18 % Materials, services and contracts were \$2.82 million or 9.18 per cent less than budget. This is mainly attributable to decreased activity due to COVID-19 lockdowns and restrictions. |
| 12 | Amortisation - Intangible assets | Outcome: Less than budget \$376,000 or 15.51 % Amortisation is an accounting measure which attempts to allocate the value of an asset over its useful life for Council's intangible assets (software). Amortisation was lower than budget predominately due to timing of projects. |
| 13 | Amortisation - Right of use assets | Outcome: Greater than budget \$3,000 or 0.72 % With the introduction of the new Accounting Standard (AASB 16 Leases) effective from July 2019, lease expense associated with IT equipment and buildings has now been classified as finance costs (leases) and amortisation expense. |
| 14 | Other expenses | Outcome: Less than budget \$1,039,000 or 5.31 % Other expenses include a wide range of costs incurred in delivering Council services and include utilities, software licences, legal expenses, consultancy, insurance, postage, telephone and general office expenses. The favourable variance is attributable to decreased in activity due to COVID-lockdowns and restrictions: * Utilities lower than budget due to closure of facilities as a result of COVID-19 lockdowns and restrictions. The MC ² community facility was also temporarily closed due to the State Government restrictions leading to reduced usage charges. * Lower than budgeted expenditure on a range of operational accounts (staff training, catering, printing, general office expenses) due to the impact of lockdown and restrictions. These favourable variances were partly offset by: * Increased Insurance premiums. * Software licensing fees as a result of new systems and changes from asset based to software as a service subscription based. |

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Note 1 Performance against budget (cont.)

1.2 Capital works

| | Budget 2021 \$'000 | Actual 2021 \$'000 | Variance 2021 \$'000 | Variance 2021 % | Ref |
|--|--------------------------|--------------------------|----------------------------|-----------------------|-----|
| Property | | | | | |
| Land | 2,000 | 2,473 | (473) | (23.65) | 15 |
| Land under roads | - | 8 | (8) | (100.00) | |
| Buildings | 6,944 | 8,190 | (1,246) | (17.94) | 16 |
| Total property | 8,944 | 10,671 | (1,727) | | |
| Plant, equipment and other assets | | | | | |
| Plant, machinery and equipment | 1,157 | 943 | 214 | 18.50 | 17 |
| Fixtures, fittings and furniture | 25 | 135 | (110) | (440.00) | 18 |
| Computers and telecommunications | 1,097 | 86 | 1,011 | 92.16 | 19 |
| Artworks | 58 | - | 58 | | |
| Total plant, equipment and other assets | 2,337 | 1,164 | 1,173 | | |
| Infrastructure | | | | | |
| Roads | 12,454 | 9,416 | 3,038 | 24.39 | 20 |
| Bridges | 95 | 83 | 12 | 12.63 | |
| Footpaths and cycleways | 3,708 | 3,019 | 689 | 18.58 | 21 |
| Off street car parks | 75 | 346 | (271) | (361.33) | |
| Drainage | 3,455 | 3,608 | (153) | (4.43) | 22 |
| Recreational, leisure and community facilities | 11,373 | 7,177 | 4,196 | 36.89 | 23 |
| Parks, open space and streetscapes | 3,870 | 3,609 | 261 | 6.74 | 24 |
| Waste management | 302 | - | 302 | (100.00) | 25 |
| Drainage | 35,332 | 27,258 | 8,074 | | |
| Intangible assets | | | | | |
| Software | 3,296 | 3,537 | (241) | (7.31) | 26 |
| Total intangible assets | 3,296 | 3,537 | (241) | | |
| Total capital works expenditure | 49,909 | 42,630 | 7,279 | 14.58 | |
| Represented by: | | | | | |
| New asset expenditure | 13,627 | 13,094 | 533 | 3.91 | |
| Asset renewal expenditure | 23,784 | 21,103 | 2,681 | 11.27 | |
| Asset expansion expenditure | 2,200 | 1,699 | 501 | 22.77 | |
| Asset upgrade expenditure | 10,298 | 6,734 | 3,564 | 34.61 | |
| Total capital works expenditure | 49,909 | 42,630 | 7,279 | | |

Note 1 Performance against budget (cont.)

1.2 Capital works (cont.)

(i) Explanation of material variations

| Ref. | Item | Explanation |
|------|--|---|
| 15 | Land | Outcome: Greater than budget \$473,000 or 23.65 % Land is acquired if and when a suitable property comes to market. It is difficult to predict the timing of the availability of suitable land parcels. |
| 16 | Buildings | Outcome: Greater than budget \$1,246,000 or 17.94 % Additional expenditure was required for urgent building renewal works. Additional expenditure was also required for the Manningham Function Centre and the Boronia Reserve Pavilion. |
| 17 | Plant, machinery and equipment | Outcome: Less than budget \$214,000 or 18.50 % Overseas supply chain issues caused by the Covid-19 pandemic resulted in delays in vehicle availability. |
| 18 | Fixtures, fittings and furniture | Outcome: Greater than budget \$110,000 or 440.00 % A number of upgrades to fixtures and fittings were carried out to make office spaces more Covid-19 friendly. |
| 19 | Computers and telecommunications | Outcome: Less than budget \$1,011,000 or 92.16 % There were delays in the delivery of some computer and telecommunications projects. There were also some minor project savings which offset the greater than budgeted expenditure on software. |
| 20 | Roads | Outcome: Less than budget \$3,038,000 or 24.39 % A number of multi-year roads and footpath projects were delivered earlier than planned in 2019/20 rather than early in the 2020/21 financial year resulting in expenditure being lower than budgeted in 2020/21. |
| 21 | Footpaths and cycleways | Outcome: Less than budget \$689,000 or 18.58 % A number of multi-year roads and footpath projects were delivered earlier than planned in 2019/20 rather than early in the 2020/21 financial year resulting in expenditure being lower than budgeted in 2020/21. |
| 22 | Drainage | Outcome: Greater than budget \$153,000 or 4.43 % A small over expenditure on drainage projects. |
| 23 | Recreational, leisure and community facilities | Outcome: Less than budget \$4,196,000 or 36.89 % Some projects have been carried forward into 2021/22. This includes \$1.9 million associated with the Deep Creek Reserve Pavilion, \$0.7 million associated with Rieschiecks Reserve and \$0.45 million associated with Domeney Reserve. |
| 24 | Parks, open space and streetscapes | Outcome: Less than budget \$261,000 or 6.74 % There were a number of Parks and Open Space projects that had small savings. |
| 25 | Waste management | Outcome: Less than budget \$302,000 or 100.00 % Waste management projects did not proceed in 2020/21 leading to savings. |
| 26 | Software | Outcome: Greater than budget \$241,000 or 7.31 % Software costs were greater than budgeted due to the nature of the software acquisitions (offset by savings in computers and telecommunications). |

Note 2 Analysis of Council results by program

Council delivers its functions and activities through the following programs.

(a) CEO Office

CEO Office is responsible for providing a range of strategic and operational services including elected representatives, legal, governance and risk, people and communications services.

City Services

City Services is responsible for delivering services to the community centred around sport and recreation, accommodation, drainage amenity, cleanliness, waste management, traffic management and emergency response. It is also responsible for protecting, maintaining and enhancing Manningham's assets and natural environment, including its buildings, roads, car parks, drains, footpaths, parks, bushlands, streetscapes and other infrastructure.

City Planning and Community

The City Planning and Community area includes services relating to strategic land use planning, social planning, transport planning, strategic drainage planning, urban design and open space planning, development approvals and compliance, environmental health, local laws, school crossings, economic development, community development, community and cultural events, community venues, aged and disability support, maternal and child health, kindergartens and libraries.

Shared Services

Shared Services provide a range of support services across council to enable the delivery of council services. The provision of these services includes financial and procurement services, customer service (citizen connect), information technology, and transformation.

Corporate Activities

Corporate activities relates to services to ratepayers, council and executives which are not allocated to individual directorates. This includes general rates revenue, interest on investments, Financial Assistance Grants, asset sales, depreciation and capital grants. The value of Council land and buildings is also retained in the Corporate activities service area.

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

| 2021 | Income \$'000 | Expenses \$'000 | Surplus/ (Deficit) \$'000 | Grants included in income \$'000 | Total capital expenses \$'000 | Total assets \$'000 |
|-----------------------------|------------------|--------------------|---------------------------------|---|-------------------------------------|------------------------|
| CEO Office | 28 | 7,991 | (7,963) | - | - | - |
| City Services | 19,706 | 64,701 | (44,995) | - | 28,201 | 637,563 |
| City Planning and Community | 23,667 | 40,016 | (16,349) | 10,354 | 80 | 41,180 |
| Shared Services | 239 | 17,026 | (16,787) | 614 | 3,623 | 8,599 |
| Corporate Activities | 114,283 | (773) | 115,056 | 6,295 | 10,726 | 1,625,210 |
| | 157,923 | 128,961 | 28,962 | 17,263 | 42,630 | 2,312,552 |

| 2020 | Income \$'000 | Expenses \$'000 | Surplus/ (Deficit) \$'000 | Grants included in income \$'000 | Total capital expenses \$'000 | Total assets \$'000 |
|-----------------------------|------------------|--------------------|---------------------------------|---|-------------------------------------|------------------------|
| CEO Office | 11 | 7,072 | (7,061) | - | - | - |
| City Services | 19,574 | 65,980 | (46,406) | 228 | 35,642 | 635,666 |
| City Planning and Community | 26,559 | 39,459 | (12,900) | 9,195 | 174 | 52,480 |
| Shared Services | 519 | 15,647 | (15,128) | 389 | 3,985 | 6,419 |
| Corporate Activities | 105,191 | (2,632) | 107,823 | 4,106 | 8,642 | 1,495,299 |
| | 151,854 | 125,526 | 26,328 | 13,918 | 48,443 | 2,189,864 |

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| | 2021 \$'000 | 2020 \$'000 |
|--|-----------------------|-----------------------|
| Note 3 Funding for the delivery of our services | | |
| 3.1 Rates and charges | | |
| <p>The Council uses Capital Improved Value (CIV) as the basis of valuation of all properties within the municipal district. The CIV of a property is its land value and the value of improvements such as buildings and other improvements.</p> <p>The CIV used to calculate general rates for 2020/21 was \$57,284 million (2019/20, \$52,492 million). The 2020/21 rate in the CIV dollar was 0.00164164 (2019/20, 0.00173238).</p> | | |
| General rates | 93,909 | 90,826 |
| Supplementary rates | 1,019 | 842 |
| Recreational land | 30 | 29 |
| Interest on rates and charges | 809 | 519 |
| | <u>95,767</u> | <u>92,216</u> |
| Waste charges | 13,916 | 13,737 |
| | <u>13,916</u> | <u>13,737</u> |
| Total rates and charges | <u>109,683</u> | <u>105,953</u> |
| <p>The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2021, and the valuation will be first applied in the rating year commencing 1 July 2021.</p> <p>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.</p> | | |
| 3.2 Statutory fees and fines | | |
| Infringements and costs | 609 | 1,081 |
| Town planning fees | 1,349 | 1,396 |
| Land and property information certificates | 428 | 403 |
| Asset protection and other permits | 669 | 509 |
| Total statutory fees and fines | <u>3,055</u> | <u>3,389</u> |
| <p>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.</p> | | |

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| | 2021 \$'000 | 2020 \$'000 |
|---|----------------|----------------|
| Note 3 Funding for the delivery of our services (cont.) | | |
| 3.3 User fees and charges | | |
| Hall hire and function centre charges | 164 | 1,073 |
| Social and community services charges | 295 | 453 |
| Town planning fees (non-statutory) | 789 | 797 |
| Aged services fees | 677 | 798 |
| Registration fees | 1,069 | 1,310 |
| Advertising fees | - | 215 |
| Culture and recreation fees | - | 157 |
| Chargeable works fees | 745 | 1,044 |
| Rent and lease charges | 1,966 | 1,956 |
| Other fees and charges | 916 | 1,116 |
| Total user fees and charges | 6,621 | 8,919 |
| User fees and charges by timing of revenue recognition | | |
| User fees and charges recognised over time | - | - |
| User fees and charges recognised at a point in time | 6,621 | 8,919 |
| Total user fees and charges | 6,621 | 8,919 |
| User fees are recognised as revenue at a point in time, or over time, when (or as) the performance obligation is satisfied. Recognition is based on the underlying contractual terms. | | |
| 3.4 Grants (Funding from other levels of government) | | |
| Grants were received in respect of the following: | | |
| Summary of grants | | |
| Commonwealth funded grants | 10,839 | 10,648 |
| State funded grants | 6,424 | 3,270 |
| Total grants received | 17,263 | 13,918 |
| (a) Operating grants | | |
| <i>Recurrent - Commonwealth Government</i> | | |
| Financial Assistance Grants | 2,673 | 2,673 |
| Aged services | 5,895 | 6,276 |
| <i>Recurrent - State Government</i> | | |
| Aged services | - | 262 |
| Economic and environment | 88 | 48 |
| Immunisation | 83 | 96 |
| Maternal and child health | 852 | 741 |
| School crossing supervisors | 296 | 303 |
| Social and community | 712 | 777 |
| Other | 452 | 392 |
| Total recurrent operating grants | 11,051 | 11,568 |
| <i>Non-recurrent - Commonwealth Government</i> | | |
| Aged services | 254 | 109 |
| <i>Non-recurrent - State Government</i> | | |
| Working for Victoria | 1,793 | 454 |
| Economic and environment | - | 5 |
| Social and community | 70 | 34 |
| Other | 473 | 87 |
| Total non-recurrent operating grants | 2,590 | 689 |
| Total operating grants | 13,641 | 12,257 |

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| | 2021 \$'000 | 2020 \$'000 |
|--|----------------|----------------|
| Note 3 Funding for the delivery of our services (cont.) | | |
| 3.4 Grants (Funding from other levels of government) (cont.) | | |
| (b) Capital grants | | |
| <i>Recurrent - Commonwealth Government</i> | | |
| Financial Assistance Grants - local roads | 833 | 869 |
| Roads to Recovery | 536 | 536 |
| Total recurrent capital grants | 1,369 | 1,405 |
| <i>Non-recurrent - Commonwealth Government</i> | | |
| Recreation | 583 | - |
| Other | 65 | 185 |
| <i>Non-recurrent - State Government</i> | | |
| Recreation | 1,383 | 28 |
| Streetscapes | 222 | - |
| Other | - | 43 |
| Total non-recurrent capital grants | 2,253 | 256 |
| Total capital grants | 3,622 | 1,661 |
| (c) Unspent grants received on condition that they be spent in a specific manner | | |
| Operating | | |
| Balance at start of year | 1,859 | 1,589 |
| Received during the financial year and remained unspent at balance date | 2,092 | 1,858 |
| Received in prior years and spent during the financial year | (1,788) | (1,588) |
| Balance at year end | 2,163 | 1,859 |
| Capital | | |
| Balance at start of year | 1,625 | 1,323 |
| Received during the financial year and remained unspent at balance date | 7,879 | 1,157 |
| Received in prior years and spent during the financial year | (1,626) | (855) |
| Balance at year end | 7,878 | 1,625 |
| Grant income is recognised at the point in time when the council satisfies its performance obligations as specified in the underlying agreement. | | |
| 3.5 Contributions | | |
| Monetary | 8,161 | 10,152 |
| Non-monetary | 10,696 | 8,324 |
| Total contributions | 18,857 | 18,476 |
| Contributions of monetary assets comprised of: | | |
| Resort and recreation Contributions (Public Open Space contributions) | 6,915 | 8,615 |
| Doncaster Hill activity centre Developers Contributions | 633 | 955 |
| Operating contributions | 81 | 70 |
| Capital contributions | 532 | 512 |
| Total monetary contributions | 8,161 | 10,152 |
| Non-monetary contributions were received in relation to the following categories: | | |
| Land | 4,681 | 1,198 |
| Land under roads | 4,011 | 3,313 |
| Buildings | - | 242 |
| Plant, machinery and equipment | 22 | - |
| Infrastructure | 1,956 | 3,493 |
| Volunteer Services | 26 | 78 |
| Total non-monetary contributions | 10,696 | 8,324 |
| Monetary and non-monetary contributions are recognised as revenue when Council obtains control over the contributed asset. | | |

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| | 2021 | 2020 |
|--|---------------|----------------|
| | \$'000 | \$'000 |
| Note 3 Funding for the delivery of our services (cont.) | | |
| 3.6 Net gain/(loss) on disposal of property, infrastructure, plant and equipment | | |
| Proceeds from disposal | 607 | 655 |
| Written down value of assets disposed | (397) | (276) |
| Written down value of assets scrapped | (184) | (1,974) |
| Total net gain/(loss) on disposal of property, infrastructure, plant and equipment | 26 | (1,595) |
| The profit or loss on disposal of an asset is determined when control of the asset has passed to the buyer. | | |
| 3.7 Other income | | |
| Interest on investments | 507 | 1,469 |
| Other | 1,611 | 1,104 |
| Total other income | 2,118 | 2,573 |
| Interest is recognised progressively as it is earned. | | |
| Other income is measured at the fair value of the consideration received or receivable and is recognised when Council gains control over the right to receive the income. | | |
| Note 4 The cost of delivering services | | |
| 4.1 Employee costs | | |
| (a) Wages and salaries | 45,888 | 42,102 |
| Casual staff | 3,203 | 4,962 |
| Salary oncost * | 6,606 | 6,665 |
| Other employee costs | 524 | 391 |
| Total employee costs | 56,221 | 54,120 |
| Engineering design work and capital project supervision completed by employees to the value of \$2.693 million (\$2.805 million 2019/20) is reported in the Statement of Capital Works, and is not included in employee costs. | | |
| * Salary oncost includes annual leave and long service leave provision, Workcover and superannuation costs. | | |
| (b) Superannuation | | |
| Manningham City Council made contributions to the following funds: | | |
| Defined benefit fund | | |
| Employer contributions - Local Authorities Superannuation Fund (Vision Super) | 228 | 279 |
| | 228 | 279 |
| Employer contributions payable as at 30 June | - | - |
| Accumulation funds | | |
| Employer contributions - Local Authorities Superannuation Fund (Vision Super) | 2,228 | 2,265 |
| Employer contributions - other funds | 1,954 | 1,628 |
| | 4,182 | 3,893 |
| Employer contributions payable as at 30 June | 203 | - |
| Refer to note 9.3 for further information relating to Council's superannuation obligations. | | |

Notes to the Financial Report
For the Year Ended 30 June 2021

MANNINGHAM CITY COUNCIL
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| | 2021 \$'000 | 2020 \$'000 |
|---|----------------|----------------|
| Note 4 The cost of delivering services (cont.) | | |
| 4.2 Materials, services and contracts | | |
| Materials, services and general maintenance | 5,189 | 5,446 |
| Plant and equipment maintenance | 441 | 544 |
| Contracts and services - community building repairs and maintenance | 1,575 | 1,538 |
| Contracts and services - parks, gardens, sporting reserves and street trees | 6,639 | 7,130 |
| Contracts and services - drains, roads and footpaths | 2,707 | 2,929 |
| Contracts and services - waste collection and disposal services | 11,302 | 10,882 |
| Total materials, services and contracts | 27,853 | 28,469 |
| 4.3 Depreciation | | |
| Property | 4,317 | 3,931 |
| Plant, machinery and other assets | 1,920 | 1,909 |
| Infrastructure | 17,320 | 16,335 |
| Total depreciation | 23,557 | 22,175 |
| <i>Refer to note 6.1 for a more detailed breakdown of depreciation charges and accounting policy.</i> | | |
| 4.4 Amortisation - Intangible assets | | |
| Software | 2,049 | 1,243 |
| Total amortisation - intangible assets | 2,049 | 1,243 |
| <i>Refer to note 5.2(b) and 6.1 for a more detailed breakdown of amortisation charges and accounting policy.</i> | | |
| 4.5 Amortisation - Right of use assets | | |
| Property | 305 | 305 |
| Equipment | 117 | 223 |
| Total amortisation - right of use assets | 422 | 528 |
| <i>Refer to note 5.7 for a more detailed breakdown of amortisation charges and accounting policy.</i> | | |
| 4.6 Bad and doubtful debts | | |
| Parking fine debtors | 233 | 144 |
| Other debtors | 25 | 46 |
| Total bad and doubtful debts | 258 | 190 |
| Movement in provisions for doubtful debts | | |
| Balance at the beginning of the year | 1,377 | 1,201 |
| New provisions recognised during the year | 258 | 190 |
| Amounts provided for but recovered/written off during the year | (43) | (14) |
| Balance at end of year | 1,592 | 1,377 |
| <i>Provision for doubtful debt is recognised based on an expected credit loss model. This model considers both historic and forward looking information in determining the level of impairment.</i> | | |

Notes to the Financial Report
For the Year Ended 30 June 2021

MANNINGHAM CITY COUNCIL
2020/21 Financial Report

| | 2021 \$'000 | 2020 \$'000 |
|--|----------------|----------------|
| Note 4 The cost of delivering services (cont.) | | |
| 4.7 Borrowing costs | | |
| Interest - borrowings | - | 109 |
| Total borrowing costs | - | 109 |
| 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. | | |
| 4.8 Finance costs - Leases | | |
| Interest - Lease liabilities | 57 | 73 |
| Total finance costs | 57 | 73 |
| 4.9 Other expenses | | |
| Community grants and contributions | | |
| Community grants | 1,465 | 1,237 |
| Library contributions | 3,888 | 3,754 |
| Total community grants and contributions | 5,353 | 4,991 |
| Utilities | | |
| Utilities - electricity, water, other | 1,401 | 1,508 |
| Street lighting | 778 | 835 |
| Total utilities | 2,179 | 2,343 |
| Other miscellaneous expenses | | |
| Auditor's remuneration - VAGO - annual financial statement and grant acquittals | 65 | 63 |
| Auditor's remuneration - other parties | 22 | 21 |
| Auditor's remuneration - Internal audit | 79 | 112 |
| Councillors' allowances | 323 | 316 |
| Fire service levy | 143 | 126 |
| Insurance | 1,045 | 784 |
| Leases | 407 | 379 |
| Consultants - engineering | 70 | 292 |
| Consultants - human resources | 74 | 37 |
| Consultants - economic and environmental | 649 | 621 |
| Consultants - other | 468 | 356 |
| Bank charges | 254 | 266 |
| Catering (including function centre) | 24 | 321 |
| Legal | 941 | 1,445 |
| Software licences | 2,827 | 2,398 |
| Telephone | 524 | 649 |
| Postage | 432 | 406 |
| Printing | 164 | 270 |
| Training | 261 | 344 |
| Design fees and maintenance - non capital | 1,250 | 848 |
| Volunteer Services | 26 | 78 |
| Other | 964 | 1,153 |
| Total other miscellaneous expenses | 11,012 | 11,285 |
| Total other expenses | 18,544 | 18,619 |

Notes to the Financial Report
For the Year Ended 30 June 2021

MANNINGHAM CITY COUNCIL
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| | 2021 \$'000 | 2020 \$'000 |
|---|----------------|----------------|
| Note 5 Our financial position | | |
| 5.1 Financial assets | | |
| (a) Cash and cash equivalents | | |
| Cash on hand | 2 | 8 |
| Cash at bank | 2,803 | 850 |
| Term deposits (with term up to 3 months) and at-call with banks | 41,500 | 64,500 |
| Total cash and cash equivalents | 44,305 | 65,358 |
| (b) Other financial assets | | |
| Current | | |
| Term deposits - current | 32,087 | 20,663 |
| Term deposit - refundable Manningham Centre Association bond | 500 | 500 |
| Total current other financial assets | 32,587 | 21,163 |
| Non-current | | |
| Term deposits - non-current | 11,031 | - |
| Total non-current other financial assets | 11,031 | - |
| Total other financial assets | 43,618 | 21,163 |
| Total financial assets | 87,923 | 86,521 |
| Council's cash and cash equivalents are subject to external restrictions that limit amounts available for discretionary use. These include: | | |
| - Trust funds and deposits (note 5.3(b)) | 13,545 | 13,385 |
| - Reserve funds (note 9.1(b)) | 13,198 | 14,286 |
| - Waste initiative fund* | 9,885 | 9,592 |
| Total restricted funds | 36,628 | 37,263 |
| Total unrestricted cash and cash equivalents | 7,677 | 28,095 |
| * The Waste initiative fund is the value of waste charges collected under s162 of the <i>Local Government Act 1989</i> , and is to be applied to fund future waste related activities. | | |
| Intended allocations | | |
| Although not externally restricted the following amounts have been allocated for specific future purposes by Council: | | |
| - Cash held to fund carried forward capital works | 4,759 | 5,762 |
| - Superannuation defined benefit potential future call | 8,000 | 6,500 |
| - Asset sales to fund future capital works program | 4,510 | 4,510 |
| - Grants received in advance | 10,041 | 3,484 |
| - Other intended allocation | 464 | 724 |
| Total funds subject to intended allocations | 27,774 | 20,980 |
| Cash and cash equivalents include cash on hand, deposits at call and other highly liquid investments with maturities of 90 days or less from the date of acquisition, net of outstanding bank overdrafts. | | |
| Other financial assets (term deposits) are measured at original cost. | | |

Notes to the Financial Report
For the Year Ended 30 June 2021

MANNINGHAM CITY COUNCIL
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| | 2021 | 2020 |
|--|---------------|---------------|
| | \$'000 | \$'000 |
| Note 5 Our financial position (cont.) | | |
| 5.1 Financial assets (cont.) | | |
| (c) Trade and other receivables | | |
| Current | | |
| <i>Statutory receivables</i> | | |
| Rates debtors | 11,001 | 9,107 |
| Infringement debtors | 845 | 870 |
| Special rate schemes | 109 | 119 |
| Net GST receivable | 1,608 | 1,440 |
| <i>Non statutory receivables</i> | | |
| Other debtors | 2,604 | 2,022 |
| Provision for doubtful debts - other debtors | (88) | (95) |
| Total current trade and other receivables | 16,079 | 13,463 |
| Non-current | | |
| <i>Statutory receivables</i> | | |
| Infringement court | 1,504 | 1,282 |
| Provision for doubtful debts - infringement court | (1,504) | (1,282) |
| <i>Non statutory receivables</i> | | |
| Other receivables | 405 | 55 |
| Total non-current trade and other receivables | 405 | 55 |
| Total trade and other receivables | 16,484 | 13,518 |
| 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. | | |
| (d) Ageing of receivables | | |
| At balance date other debtors representing financial assets were past due but not impaired. The ageing of the Council's trade and other receivables (excluding statutory receivables) was: | | |
| Current (not yet due) | 1,989 | 1,122 |
| Past due between 31 and 60 days | 69 | 121 |
| Past due between 61 and 90 days | 172 | 237 |
| Past due by more than 91 days | 374 | 542 |
| Total trade and other receivables | 2,604 | 2,022 |

Notes to the Financial Report
For the Year Ended 30 June 2021

MANNINGHAM CITY COUNCIL
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| | 2021 | 2020 |
|--|--------------|--------------|
| | \$'000 | \$'000 |
| Note 5 Our financial position (cont.) | | |
| 5.2 Non-Financial assets | | |
| (a) Other assets | | |
| Accrued income - interest | 10 | 39 |
| Accrued income - other | 539 | 115 |
| Prepayments | 1,275 | 1,094 |
| Inventories | 211 | 162 |
| Total other assets | 2,035 | 1,410 |
| (b) Intangible assets | | |
| Software | 7,443 | 4,947 |
| Total intangible assets | 7,443 | 4,947 |
| Gross carrying amount | | |
| Balance at 1 July | 15,608 | 12,905 |
| Additions from internal developments | 976 | 1,184 |
| Transfer from work in progress | 3,569 | 1,519 |
| Balance at 30 June | 20,153 | 15,608 |
| Accumulated amortisation | | |
| Balance at 1 July | (10,661) | (9,418) |
| Amortisation expense | (2,049) | (1,243) |
| Balance at 30 June | (12,710) | (10,661) |
| Net book value at 30 June | 7,443 | 4,947 |

Intangible assets with finite lives are amortised as an expense on a systematic basis over the asset's useful life. Amortisation is generally calculated on a straight line basis, at a rate that allocates the asset value, less any estimated residual value over its estimated useful life. Estimates of the remaining useful lives and amortisation method are reviewed at least annually, and adjustments made where appropriate.

Notes to the Financial Report
For the Year Ended 30 June 2021

MANNINGHAM CITY COUNCIL
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| | 2021 \$'000 | 2020 \$'000 |
|--|----------------|----------------|
| Note 5 Our financial position (cont.) | | |
| 5.3 Payables | | |
| (a) Trade and other payables | | |
| Trade payables | 416 | 4,086 |
| Employee benefits and related costs | 3,265 | 2,069 |
| Accrued expenses | 13,568 | 15,842 |
| Total trade and other payables | 17,249 | 21,997 |
| (b) Trust funds and deposits | | |
| Contract retention | 1,267 | 1,295 |
| Landscape bonds | 6,274 | 6,125 |
| Miscellaneous works deposits | 412 | 406 |
| Asset protection bonds | 4,490 | 4,558 |
| Subdivider deposits | 171 | 163 |
| Refundable Manningham Centre Association bond | 500 | 500 |
| Fire services levy | 122 | 87 |
| Other refundable deposits | 309 | 251 |
| Total trust funds and deposits | 13,545 | 13,385 |
| <p>Amounts received as deposits and retention amounts controlled by Council are recognised as trust funds until they are returned, transferred in accordance with the purpose of the receipt, or forfeited. Trust funds that are forfeited, resulting in council gaining control of the funds, are to be recognised as revenue at the time of forfeit.</p> <p><i>Purpose and nature of items</i></p> <p>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.</p> <p>Fire Service Levy - Council is the collection agent for fire services levy on behalf of the State Government. Council remits amounts received on a quarterly basis. Amounts disclosed here will be remitted to the state government in line with that process.</p> <p>Retention amounts - Council has a contractual right to retain certain amounts until a contractor has met certain requirements or a related warrant or defect period has elapsed. Subject to the satisfactory completion of the contractual obligations, or the elapsing of time, these amounts will be paid to the relevant contractor in line with Council's contractual obligations.</p> | | |
| (c) Unearned income | | |
| Grants received in advance - operating | 771 | 357 |
| Grants received in advance - capital | 7,448 | 1,178 |
| Income received in advance - rent | 505 | 237 |
| Income received in advance - rates | 795 | 589 |
| Total unearned income | 9,519 | 2,361 |

Notes to the Financial Report
For the Year Ended 30 June 2021

MANNINGHAM CITY COUNCIL
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Note 5 Our financial position (cont.)

5.4 Provisions

| | Annual leave | Long service leave | Total |
|--|--------------|--------------------|---------------|
| 2021 | \$ '000 | \$ '000 | \$ '000 |
| Balance at beginning of the financial year | 4,956 | 9,420 | 14,376 |
| Amounts used | (3,659) | (1,364) | (5,023) |
| Additional provisions | 4,402 | 1,447 | 5,849 |
| Balance at the end of the financial year | 5,699 | 9,503 | 15,202 |

| | | | |
|--|--------------|--------------|---------------|
| 2020 | | | |
| Balance at beginning of the financial year | 4,342 | 9,293 | 13,635 |
| Amounts used | (3,002) | (1,518) | (4,520) |
| Additional provisions | 3,616 | 1,645 | 5,261 |
| Balance at the end of the financial year | 4,956 | 9,420 | 14,376 |

| | 2021 | 2020 |
|--|---------------|---------------|
| | \$'000 | \$'000 |
| Employee provisions | | |
| Current provisions expected to be wholly settled within 12 months | | |
| Annual leave | 3,549 | 3,304 |
| Long service leave | 760 | 719 |
| | 4,309 | 4,023 |
| Current provisions expected to be wholly settled after 12 months | | |
| Annual leave | 2,150 | 1,652 |
| Long service leave | 7,289 | 7,299 |
| | 9,439 | 8,951 |
| Total current employee provisions | 13,748 | 12,974 |
| Non-current | | |
| Long service leave | 1,454 | 1,402 |
| Total non-current employee provisions | 1,454 | 1,402 |
| Aggregate carrying amount of employee provisions: | | |
| Current | 13,748 | 12,974 |
| Non-current | 1,454 | 1,402 |
| Total aggregate carrying amount of employee provisions | 15,202 | 14,376 |

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

Annual leave

Liability for annual leave expected to be wholly settled within 12 months of the reporting date are recognised in the provision for employee benefits in respect of employee services up to the reporting date, classified as current liabilities and measured at their nominal values.

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

Long service leave

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

Key assumptions:

| | | |
|-----------------|-------|-------|
| - discount rate | 0.93% | 0.60% |
| - index rate | 2.00% | 2.25% |

Notes to the Financial Report
For the Year Ended 30 June 2021

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| | | 2021 | 2020 |
|---------------|--|--------------|--------------|
| | | \$'000 | \$'000 |
| Note 5 | Our financial position (cont.) | | |
| | 5.5 Financing arrangements | | |
| | The Council has the following funding arrangements in place as at 30 June. | | |
| | Bank overdraft | 1,000 | 1,000 |
| | Credit card facilities | 250 | 250 |
| | Total facilities | 1,250 | 1,250 |
| | Used facilities | 44 | 17 |
| | Unused facilities | 1,206 | 1,233 |

5.6 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.

| 2021 | Not later than 1 year | Later than 1 year and not later than 2 years | Later than 2 years and not later than 5 years | Later than 5 years | Total |
|-----------------------------------|-----------------------|--|---|--------------------|---------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Operating | | | | | |
| Garbage collection | 2,818 | - | - | - | 2,818 |
| Green waste collection | 1,200 | - | - | - | 1,200 |
| Recycling collection | 1,407 | - | - | - | 1,407 |
| Hard waste collection | 999 | 1,067 | 2,357 | - | 4,423 |
| Tipping waste management | 6,373 | 5,811 | 11,800 | - | 23,984 |
| Renewable electricity | 421 | 421 | 842 | 2,316 | 4,000 |
| Tree pruning | 750 | 750 | 125 | - | 1,625 |
| Provision of cleaning services | 630 | 315 | - | - | 945 |
| Meals for delivery | 81 | - | - | - | 81 |
| Total | 14,679 | 8,364 | 15,124 | 2,316 | 40,483 |
| Capital | | | | | |
| Plant, equipment and other assets | 918 | - | - | - | 918 |
| Computers & telecommunications | 1,454 | - | - | - | 1,454 |
| Land & buildings | 1,098 | - | - | - | 1,098 |
| Drainage | 1,775 | - | - | - | 1,775 |
| Roads & footpaths | 5,324 | - | - | - | 5,324 |
| Recreation, open space & others | 7,867 | - | - | - | 7,867 |
| Total | 18,436 | - | - | - | 18,436 |

| 2020 | Not later than 1 year | Later than 1 year and not later than 2 years | Later than 2 years and not later than 5 years | Later than 5 years | Total |
|---------------------------------|-----------------------|--|---|--------------------|---------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Operating | | | | | |
| Garbage collection | 5,501 | 5,758 | 18,934 | - | 30,193 |
| Meals for delivery | 248 | 253 | 797 | - | 1,298 |
| Hard and green waste collection | 869 | 936 | 3,258 | - | 5,063 |
| Total | 6,618 | 6,947 | 22,989 | - | 36,554 |
| Capital | | | | | |
| Roads | 1,951 | - | - | - | 1,951 |
| Drainage | 1,477 | - | - | - | 1,477 |
| Other - recreation & open space | 5,693 | - | - | - | 5,693 |
| Buildings | 1,644 | - | - | - | 1,644 |
| Plant and equipment | 1,206 | - | - | - | 1,206 |
| Total | 11,971 | - | - | - | 11,971 |

Note 5 Our financial position (cont.)**5.7 Leases**

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

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

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

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

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

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

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

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

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

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

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

Peppercorn Leases - Council has one peppercorn lease arrangement of the premises accommodating the Pines Library until 2 December 2024. The lease restricts the permitted use of the leased premises as a Public Library.

Notes to the Financial Report
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Note 5 Our financial position (cont.)

5.7 Leases (cont.)

| Right-of-Use Assets | Property \$'000 | Plant and equipment \$'000 | Total \$'000 |
|--------------------------------|----------------------------|---|-------------------------|
| Balance at 1 July 2019 | 2,830 | 351 | 3,181 |
| Additions | - | - | - |
| Amortisation charge | (305) | (223) | (528) |
| Balance at 30 June 2020 | 2,525 | 128 | 2,653 |
| Balance at 1 July 2020 | 2,525 | 128 | 2,653 |
| Additions | - | 39 | 39 |
| Amortisation charge | (305) | (117) | (422) |
| Balance at 30 June 2021 | 2,220 | 50 | 2,270 |

| Lease Liabilities | 2021 \$'000 | 2020 \$'000 |
|---|------------------------|------------------------|
| Maturity analysis - contractual undiscounted cash flows | \$'000 | \$'000 |
| Less than one year | 366 | 464 |
| One to five years | 1,319 | 1,263 |
| More than five years | 881 | 1,262 |
| Total undiscounted lease liabilities as at 30 June: | <u>2,566</u> | <u>2,989</u> |

Lease liabilities included in the Balance Sheet at 30 June:

| | | |
|--------------------------------|---------------------|---------------------|
| Current | 314 | 403 |
| Non-current | 2,008 | 2,283 |
| Total lease liabilities | <u>2,322</u> | <u>2,686</u> |

Short-term and low value leases

Council has elected not to recognise right-of-use assets and lease liabilities for short-term leases of plant and equipment 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 \$10,000), including some IT equipment. Council recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

| Expenses relating to: | 2021 \$'000 | 2020 \$'000 |
|------------------------------|------------------------|------------------------|
| Short-term leases | 76 | 90 |
| Leases of low value assets | 331 | 289 |
| Total | <u>407</u> | <u>379</u> |

Variable lease payments (not included in measurement of lease liabilities)

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

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

| | | |
|---|---------------------|-------------------|
| Payable: | | |
| Within one year | 302 | 248 |
| Later than one year but not later than five years | 853 | 27 |
| Total lease commitments | <u>1,155</u> | <u>275</u> |

Notes to the Financial Report
For the Year Ended 30 June 2021

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Note 6 Assets we manage

6.1 Property, infrastructure, plant, equipment and other fixed assets

Summary of property, infrastructure, plant, equipment and other fixed assets

| | At Fair Value | | | | | | | At Fair Value | |
|---|------------------|---------------|---------------|---------------|-----------------|--------------|----------------|---------------|------------------|
| | 1 July 2020 | Acquisitions | Contributions | Revaluation | Depreciation | Disposal | Transfers | Write Offs | 30 June 2021 |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Land | 1,203,531 | 723 | 8,692 | 108,479 | - | (5) | - | - | 1,321,420 |
| Buildings | 222,287 | 7,876 | - | (8,222) | (4,317) | - | 260 | - | 217,884 |
| Plant, equipment and other fixed assets | 12,282 | 1,018 | 22 | - | (1,920) | (392) | 178 | - | 11,188 |
| Infrastructure | 627,940 | 23,526 | 1,956 | (9,563) | (17,320) | (184) | 4,121 | - | 630,476 |
| Work in progress | 12,249 | 8,511 | - | - | - | - | (8,128) | (29) | 12,603 |
| | 2,078,289 | 41,654 | 10,670 | 90,694 | (23,557) | (581) | (3,569) | (29) | 2,193,571 |

Summary of work in progress

| | Opening WIP | | | | Closing WIP |
|---|---------------|--------------|----------------|-------------|---------------|
| | 1 July 2020 | Additions | Transfers | Write Offs | 30 June 2021 |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Property | 1,714 | 2,072 | (2,149) | - | 1,637 |
| Plant, equipment and other fixed assets | 5,435 | 2,708 | (3,748) | - | 4,395 |
| Infrastructure | 5,100 | 3,731 | (2,231) | (29) | 6,571 |
| | 12,249 | 8,511 | (8,128) | (29) | 12,603 |

Notes to the Financial Report
For the Year Ended 30 June 2021

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Note 6 Assets we manage (cont.)

6.1 Property, infrastructure, plant, equipment and other fixed assets (cont.)

(a) Property

| | Land - specialised \$'000 | Land - non-specialised \$'000 | Land under roads \$'000 | Total Land \$'000 | Building - specialised \$'000 | Building - non-specialised \$'000 | Total Buildings \$'000 | Total Property \$'000 | Work in Progress \$'000 |
|--|------------------------------|----------------------------------|----------------------------|----------------------|----------------------------------|--------------------------------------|---------------------------|--------------------------|----------------------------|
| At fair value 1 July 2020 | 1,189,278 | 8,143 | 6,110 | 1,203,531 | 389,895 | 2,863 | 392,758 | 1,596,289 | 1,714 |
| Accumulated depreciation at 1 July 2020 | - | - | - | - | (169,056) | (1,415) | (170,471) | (170,471) | - |
| | 1,189,278 | 8,143 | 6,110 | 1,203,531 | 220,839 | 1,448 | 222,287 | 1,425,818 | 1,714 |
| Movements in fair value | | | | | | | | | |
| Acquisition of assets at fair value | 715 | - | 8 | 723 | 7,862 | 14 | 7,876 | 8,599 | 2,072 |
| Contributed assets | 4,681 | - | 4,011 | 8,692 | - | - | - | 8,692 | - |
| Revaluation increments/decrements | 107,939 | 540 | - | 108,479 | (4,043) | (3) | (4,046) | 104,433 | - |
| Fair value of assets disposed | (5) | - | - | (5) | - | - | - | (5) | - |
| Impairment losses recognised in operating result | - | - | - | - | - | - | - | - | - |
| Transfers | - | - | - | - | 260 | - | 260 | 260 | (2,149) |
| | 113,330 | 540 | 4,019 | 117,889 | 4,079 | 11 | 4,090 | 121,979 | (77) |
| Movements in accumulated depreciation | | | | | | | | | |
| Depreciation and amortisation | - | - | - | - | (4,273) | (44) | (4,317) | (4,317) | - |
| Accumulated depreciation of disposals | - | - | - | - | - | - | - | - | - |
| Revaluation increments/decrements | - | - | - | - | (4,183) | 7 | (4,176) | (4,176) | - |
| | - | - | - | - | (8,456) | (37) | (8,493) | (8,493) | - |
| At fair value 30 June 2021 | 1,302,608 | 8,683 | 10,129 | 1,321,420 | 393,974 | 2,874 | 396,848 | 1,718,268 | 1,637 |
| Accumulated depreciation at 30 June 2021 | - | - | - | - | (177,512) | (1,452) | (178,964) | (178,964) | - |
| | 1,302,608 | 8,683 | 10,129 | 1,321,420 | 216,462 | 1,422 | 217,884 | 1,539,304 | 1,637 |

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Note 6 Assets we manage (cont.)

6.1 Property, infrastructure, plant, equipment and other fixed assets (cont.)

| (b) Plant, equipment and other fixed assets | Plant, machinery and equipment \$'000 | Fixtures, fittings and furniture \$'000 | Computers and telecom- munications \$'000 | Artworks \$'000 | Total plant, equipment and other assets \$'000 | Work in Progress \$'000 |
|--|--|---|--|--------------------|---|--|
| At fair value 1 July 2020 | 14,704 | 9,617 | 4,870 | 1,959 | 31,150 | 5,435 |
| Accumulated depreciation at 1 July 2020 | (6,978) | (8,492) | (3,398) | - | (18,868) | - |
| | <u>7,726</u> | <u>1,125</u> | <u>1,472</u> | <u>1,959</u> | <u>12,282</u> | <u>5,435</u> |
| Movements in fair value | | | | | | |
| Acquisition of assets at fair value | 797 | 135 | 86 | - | 1,018 | 2,708 |
| Contributed assets | 22 | - | - | - | 22 | - |
| Revaluation increments/decrements | - | - | - | - | - | - |
| Fair value of assets disposed | (1,203) | - | - | - | (1,203) | - |
| Transfers | 178 | - | - | - | 178 | (3,748) |
| | <u>(206)</u> | <u>135</u> | <u>86</u> | <u>-</u> | <u>15</u> | <u>(1,040)</u> |
| Movements in accumulated depreciation | | | | | | |
| Depreciation and amortisation | (1,244) | (274) | (402) | - | (1,920) | - |
| Accumulated depreciation of disposals | 811 | - | - | - | 811 | - |
| Revaluation increments/decrements | - | - | - | - | - | - |
| | <u>(433)</u> | <u>(274)</u> | <u>(402)</u> | <u>-</u> | <u>(1,109)</u> | <u>-</u> |
| At fair value 30 June 2021 | 14,498 | 9,752 | 4,956 | 1,959 | 31,165 | 4,395 |
| Accumulated depreciation at 30 June 2021 | (7,411) | (8,766) | (3,800) | - | (19,977) | - |
| | <u>7,087</u> | <u>986</u> | <u>1,156</u> | <u>1,959</u> | <u>11,188</u> | <u>4,395</u> |

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Note 6 Assets we manage (cont.)

6.1 Property, infrastructure, plant, equipment and other fixed assets (cont.)

| (c) Infrastructure | Roads | Bridges | Footpaths and cycleways | Off street car parks | Drainage | Recreational, leisure and community | Parks open spaces and streetscapes | Waste Management | Total Infrastructure | Work in Progress |
|--|-----------|---------|----------------------------|-------------------------|-----------|---|--|---------------------|-------------------------|---------------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| At fair value 1 July 2020 | 426,258 | 25,065 | 129,678 | 19,602 | 413,913 | 26,856 | 37,829 | 5,415 | 1,084,616 | 5,100 |
| Accumulated depreciation at 1 July 2020 | (213,923) | (8,003) | (59,143) | (8,613) | (139,397) | (10,368) | (15,967) | (1,262) | (456,676) | - |
| | 212,335 | 17,062 | 70,535 | 10,989 | 274,516 | 16,488 | 21,862 | 4,153 | 627,940 | 5,100 |
| Movements in fair value | | | | | | | | | | |
| Acquisition of assets at fair value | 8,793 | 82 | 3,019 | 346 | 3,341 | 6,211 | 1,734 | - | 23,526 | 3,731 |
| Contributed assets | 391 | - | 175 | - | 1,390 | - | - | - | 1,956 | - |
| Revaluation increments/decrements | (14,284) | (684) | (3,288) | (79) | (5,001) | - | - | - | (23,336) | - |
| Fair value of assets disposed | (250) | - | (210) | - | - | - | - | - | (460) | - |
| Impairment losses recognised in operating result | - | - | - | - | - | - | - | - | - | (29) |
| Transfers | 357 | - | 477 | - | 136 | 2,049 | 1,102 | - | 4,121 | (2,231) |
| | (4,993) | (602) | 173 | 267 | (134) | 8,260 | 2,836 | - | 5,807 | 1,471 |
| Movements in accumulated depreciation | | | | | | | | | | |
| Depreciation and amortisation | (8,514) | (418) | (1,398) | (280) | (3,444) | (1,269) | (1,636) | (361) | (17,320) | - |
| Accumulated depreciation of disposals | 150 | - | 126 | - | - | - | - | - | 276 | - |
| Revaluation increments/decrements | 13,116 | 324 | 152 | 155 | 26 | - | - | - | 13,773 | - |
| | 4,752 | (94) | (1,120) | (125) | (3,418) | (1,269) | (1,636) | (361) | (3,271) | - |
| At fair value 30 June 2021 | 421,265 | 24,463 | 129,851 | 19,869 | 413,779 | 35,116 | 40,665 | 5,415 | 1,090,423 | 6,571 |
| Accumulated depreciation at 30 June 2021 | (209,171) | (8,097) | (60,263) | (8,738) | (142,815) | (11,637) | (17,603) | (1,623) | (459,947) | - |
| | 212,094 | 16,366 | 69,588 | 11,131 | 270,964 | 23,479 | 23,062 | 3,792 | 630,476 | 6,571 |

Note 6 Assets we manage (cont.)**6.1 Property, infrastructure, plant, equipment and other fixed assets (cont.)***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

| Asset class | Depreciation Period | Threshold limit \$'000 |
|--|---------------------------|---------------------------|
| Property | | |
| Land | Infinite life | 0 |
| Land under roads | Infinite life | 0 |
| Buildings | 75 - 100 years | 5 |
| Buildings on leased land | Term of lease or 75 years | |
| Plant, equipment and other assets | | |
| Plant, machinery and equipment | 5 - 25 years | 1 |
| Fixtures, fittings and furniture | 4 - 20 years | 1 |
| Computers and telecommunications | 4 - 10 years | 1 |
| Artworks | Infinite life | 1 |
| Infrastructure | | |
| Road - pavement | 30 years | 10 |
| Road - sub-pavement | 120 years | 10 |
| Bridges | 60 - 100 years | 10 |
| Footpaths and cycleways | 60 - 100 years | 10 |
| Carparks | 60 - 100 years | 10 |
| Drainage | 120 years | 10 |
| Recreational, leisure and community facilities | 20 years | 10 |
| Parks, open space and streetscapes | 20 years | 10 |
| Waste garbage bins | 20 years | 0 |
| Intangible assets | | |
| Software | 5 years | 1 |

Land under roads

Land under roads acquired after 30 June 2008 is brought to account at cost adjusted for englobio characteristics, access rights and private interests of other parties and entitlements of infrastructure assets and services. Council does not recognise land under roads that it controlled prior to that period in its financial report.

Depreciation and amortisation

Buildings, infrastructure, plant, equipment, intangible assets, 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 above and are consistent with the prior year unless otherwise stated.

Note 6 Assets we manage (cont.)**6.1 Property, infrastructure, plant, equipment and other fixed assets (cont.)**

Repairs and maintenance

Routine maintenance, repair costs, and minor renewal costs are expensed as incurred. 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.

Artworks

Artworks are not depreciated.

Valuation of land and buildings

Valuations were completed as at 30 June 2021 for Council. Valuations for 30 June 2021 are at fair value.

Non-specialised land and non-specialised buildings

Non-specialised land and non-specialised buildings are valued using the market based direct comparison method. Under this valuation method, the assets are compared to recent comparable sales or sales of comparable assets which are considered to have nominal or no added improvement value.

For non-specialised land and non-specialised buildings, a valuation was performed by Council's Manager Property Services, Mr Graham Brewer FAPI, Certified Practising Valuer (Registration Number 61916) to determine the fair value using the market based direct comparison method. Valuation of the assets was determined by analysing comparable sales and allowing for share, size, topography, location and other relevant factors specific to the asset being valued. From the sales analysed, an appropriate rate per square metre has been applied to the subject asset. The effective date of the valuation is 30 June 2021.

To the extent that non-specialised land and non-specialised buildings do not contain significant, unobservable adjustments, these assets are classified as Level 2 under the market based direct comparison approach.

Specialised land and specialised buildings

The market based direct comparison method is also used for specialised land but adjusted to reflect the specialised nature of the assets being valued. For Council specialised buildings, the depreciated replacement cost method is used, adjusting for the associated depreciation. Specialised assets contain significant, unobservable adjustments, therefore these assets are classified as Level 3 fair value measurements.

An adjustment is made to reflect a restriction on the sale or use of an asset by Council. The adjustment is an allowance made to reflect the difference in value between unrestricted assets and those held by the Council which are impacted by external restraints on their use.

The valuation of Council's specialised land and specialised buildings was performed by Council's Manager Property Services, Mr Graham Brewer FAPI, Certified Practising Valuer (Registration Number 61916). The valuation was performed using either the market based direct comparison method or depreciated replacement cost, adjusted for restrictions in use. The effective date of the valuation is 30 June 2021.

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

| | <i>Level 1</i> | <i>Level 2</i> | <i>Level 3</i> | <i>Date of Valuation</i> |
|---|----------------|------------------|------------------|--------------------------|
| | <i>\$'000</i> | <i>\$'000</i> | <i>\$'000</i> | |
| Land | - | 8,683 | 1,302,608 | Jun 2021 |
| Land under roads | - | - | 10,129 | - |
| Buildings | - | 1,422 | 216,462 | Jun 2021 |
| Total | - | 10,105 | 1,529,199 | |
| | | 2021 | 2020 | |
| | | \$'000 | \$'000 | |
| Reconciliation of specialised land | | | | |
| Land under roads | | 10,129 | 6,110 | |
| Parks, reserves and other | | 1,302,608 | 1,189,278 | |
| Total specialised land | | 1,312,737 | 1,195,388 | |

Note 6 Assets we manage (cont.)**6.1 Property, infrastructure, plant, equipment and other fixed assets (cont.)****Valuation of infrastructure assets**

Infrastructure assets (roads, bridges, footpaths and cycleways, off street car parks and drainage) are valued using the written down replacement cost of each asset. The written down replacement cost is calculated based on the remaining life of the asset, which in turn is determined based on the condition of the asset.

Infrastructure assets contain significant unobservable adjustments, therefore these assets are classified as Level 3.

Infrastructure assets are valued based on the depreciated replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives of infrastructure. The remaining useful lives of infrastructure assets are determined on the basis of the current condition of the asset and vary from 20 years to 120 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of infrastructure are sensitive to changes in use, expectations or requirements that could either shorten or extend the useful lives of infrastructure assets.

A valuation of Council's infrastructure assets was performed by Council's Manager, Infrastructure Services, Mr James Paterson *B.Eng (Civil)*. The valuation was performed based on the depreciated replacement cost of the assets. The effective date of the valuation is 30 June 2021.

There were no changes in valuation techniques throughout the period to 30 June 2021.

For all assets measured at fair value, the current use is considered the highest and best use.

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

| | <i>Level 1</i> | <i>Level 2</i> | <i>Level 3</i> | <i>Date of Valuation</i> |
|-------------------------|----------------|----------------|----------------|--------------------------|
| | <i>\$'000</i> | <i>\$'000</i> | <i>\$'000</i> | |
| Roads | - | - | 212,094 | Jun 2021 |
| Bridges | - | - | 16,366 | Jun 2021 |
| Footpaths and cycleways | - | - | 69,588 | Jun 2021 |
| Off street car parks | - | - | 11,131 | Jun 2021 |
| Drainage | - | - | 270,964 | Jun 2021 |
| Total | - | - | 580,143 | |

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| | 2021 \$'000 | 2020 \$'000 |
|--|----------------|----------------|
| Note 6 Assets we manage (cont.) | | |
| 6.2 Investments in associates | | |
| Whitehorse-Manningham Regional Library Corporation | | |
| <i>Background</i> | | |
| Manningham City Council has a 33.7% equity interest in the Whitehorse Manningham Regional Library Corporation (WMRLC) that was incorporated on 21 December 1995. Council has reported its interest in the WMRLC on the basis of equity accounting principles. Manningham City Council's share of the movement in net assets as at 30 June 2021, per draft WMRLC financial statements, has been taken up as profit of \$299,950 during the year ended 30 June 2021 (profit of \$221,324 in 2019/20). As neither council has a controlling interest, the participating councils show their contributions towards the operating expenditure of the library as an expense. | | |
| Current assets | | |
| Cash and cash equivalents | 2,799 | 2,872 |
| Trade and other receivables | 45 | 48 |
| Other assets | 117 | 87 |
| | <u>2,961</u> | <u>3,007</u> |
| Non-current assets | | |
| Property & equipment | 7,882 | 7,311 |
| | <u>7,882</u> | <u>7,311</u> |
| Total assets | 10,843 | 10,318 |
| Current liabilities | | |
| Payables | 693 | 946 |
| Provisions | 1,578 | 1,446 |
| | <u>2,271</u> | <u>2,392</u> |
| Non-current liabilities | | |
| Provisions | 188 | 181 |
| | <u>188</u> | <u>181</u> |
| Total liabilities | 2,459 | 2,573 |
| Net assets | 8,384 | 7,745 |
| <i>Movement in carrying value of investment</i> | | |
| Carrying value of investment at start of year | 2,526 | 2,305 |
| Share of surplus/(deficit) for year | 300 | 221 |
| Carrying value of investment at end of year | <u>2,826</u> | <u>2,526</u> |

Associates are all entities over which Council has significant influence but not control or joint control. Council's investment in an associate is accounted for by the equity method as the Council has the ability to influence rather than control the operations of the entity. The investment is initially recorded at the cost of acquisition and adjusted thereafter for post-acquisition changes in the Council's share of the net assets of the entity. The Council's share of the financial result of the entity is recognised in the Comprehensive Income Statement.

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Note 7 People and relationships

7.1 Council and key management remuneration

(a) Related party

Subsidiaries and Associates

Interest in associate - Whitehorse Manningham Regional Library Corporation (WMRLC) (Ref Note 6.2)

(b) Key Management Personnel

Details of persons holding the position of Councillor or other members of key management personnel at any time during the year are:

Councillors

| | | |
|-----------------------|------------|-----------------------------------|
| Anna Chen | Councillor | (1 July 2020 - 24 October 2020) |
| | Councillor | (10 November 2020 - 30 June 2021) |
| Andrew Conlon | Councillor | (1 July 2020 - 24 October 2020) |
| | Mayor | (10 November 2020 - 30 June 2021) |
| Deirdre Diamante | Councillor | (10 November 2020 - 30 June 2021) |
| Sophy Galbally | Councillor | (1 July 2020 - 24 October 2020) |
| Geoff Gough | Councillor | (1 July 2020 - 24 October 2020) |
| | Councillor | (10 November 2020 - 30 June 2021) |
| Michelle Kleinert | Councillor | (1 July 2020 - 24 October 2020) |
| | Councillor | (10 November 2020 - 30 June 2021) |
| Carli Lange | Councillor | (10 November 2020 - 30 June 2021) |
| Tomas Lightbody | Councillor | (10 November 2020 - 30 June 2021) |
| Laura Mayne | Councillor | (10 November 2020 - 30 June 2021) |
| Stephen Mayne | Councillor | (10 November 2020 - 30 June 2021) |
| Paul McLeish | Mayor | (1 July 2020 - 24 October 2020) |
| Paula Piccinini | Councillor | (1 July 2020 - 24 October 2020) |
| Mike Zafiroopoulos AM | Councillor | (1 July 2020 - 24 October 2020) |
| Dot Haynes | Councillor | (1 July 2020 - 24 October 2020) |

Chief Executive Officer

| | | |
|------------|-------------------------|------------------------------|
| Andrew Day | Chief Executive Officer | (1 July 2020 - 30 June 2021) |
|------------|-------------------------|------------------------------|

Other Key Management Personnel

| | | |
|----------------------|--|----------------------------------|
| Rachelle Quattrocchi | Director City Services | (1 July 2020 - 30 June 2021) |
| Angelo Kourambas | Director City Planning and Community | (1 July 2020 - 30 June 2021) |
| Philip Lee | Director Shared Services | (1 July 2020 - 30 June 2021) |
| Andrew McMaster | Corporate Counsel and Group Manager Governance and Risk | (1 July 2020 - 30 June 2021) |
| Kerryn Paterson | Group Manager People and Communications | (1 July 2020 - 30 June 2021) |
| Lee Robson | Manager Community Resilience | (1 July 2020 - 31 December 2020) |

| | 2021 | 2020 |
|--|-----------|-----------|
| | No. | No. |
| Total number of Councillors | 14 | 9 |
| Chief Executive Officer and other Key Management Personnel | 7 | 8 |
| Total Key Management Personnel | 21 | 17 |

(c) Remuneration of Key Management Personnel

| | 2021 | 2020 |
|--|--------------|--------------|
| | \$'000 | \$'000 |
| Total remuneration of key management personnel was as follows: | | |
| Short-term benefits | 1,884 | 1,790 |
| Long-term benefits | 39 | 31 |
| Post employment benefits | 147 | 136 |
| Total | 2,070 | 1,957 |

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Note 7 People and relationships (cont.)

7.1 Council and key management remuneration (cont.)

(c) Remuneration of Key Management Personnel (cont.)

| The numbers of key management personnel whose total remuneration from Council and any related entities, fall within the following bands: | 2021 No. | 2020 No. |
|--|-------------|-------------|
| Less than \$10,000 * | 4 | 1 |
| \$20,000 - \$29,999 | 9 | 7 |
| \$40,000 - \$49,999 | - | 1 |
| \$60,000 - \$69,999 | - | 1 |
| \$70,000 - \$79,999 | 1 | 1 |
| \$110,000 - \$119,999 | 1 | - |
| \$220,000 - \$229,999 | 2 | 2 |
| \$230,000 - \$239,999 | - | 1 |
| \$270,000 - \$279,999 | 1 | - |
| \$280,000 - \$289,999 | 1 | 1 |
| \$290,000 - \$299,999 | 1 | 1 |
| \$330,000 - \$339,999 | 1 | 1 |
| | <u>21</u> | <u>17</u> |

* Relates to exiting Councillors in FY 2020-21 and higher duties payment for acting arrangement in FY 2019-20

(d) Senior Officer Remuneration

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

- a) has management responsibilities and reports directly to the Chief Executive; or
b) whose total annual remuneration exceeds \$151,000.

The number of Senior Officers other than Key Management Personnel, are shown below in their relevant income bands and includes Senior Officers who commenced or retired during the year.

| Income Range: | 2021 No. | 2020 No. |
|--|---------------|---------------|
| less than \$151,000 | 2 | 5 |
| \$151,000 - \$159,999 | 3 | 6 |
| \$160,000 - \$169,999 | 1 | 3 |
| \$170,000 - \$179,999 | 7 | 4 |
| \$180,000 - \$189,999 | 6 | 5 |
| \$190,000 - \$199,999 | 4 | 2 |
| \$200,000 - \$209,999 | 3 | 3 |
| \$210,000 - \$219,999 | 2 | 2 |
| | <u>28</u> | <u>30</u> |
| | \$'000 | \$'000 |
| Total Remuneration, excluding resignation benefits, for the reporting year for Senior Officers | 4,804 | 4,939 |

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Note 7 People and relationships (cont.)

7.2 Related party disclosure

(a) Transactions with related parties

During the year Manningham City Council provided contributions to Whitehorse Manningham Regional Library Corporation (WMRLC) with the total value of \$3.89m towards running costs as per the agreement. Council also provides accommodation to house libraries within Manningham.

No transactions other than remuneration payments, or the reimbursement of expenses as approved by Council were made with Related Parties during the reporting year (2019/20, nil).

(b) Outstanding balances with related parties

No balances are outstanding at the end of the reporting period in relation to transactions with related parties (2019/20, nil).

(c) Loans to/from related parties

There were no aggregate amount of loans in existence at balance date that have been made, guaranteed or secured by the Council to a responsible person of the Council, or a related party of a responsible person (2019/20, nil).

(d) Commitments to/from related parties

No commitments have been made by the Council to Related Parties during the reporting year 2020/21 (2019/20, nil).

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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

Developer contributed assets

Developer contributions to be received in respect of future subdivisions total \$1.718m (2019/20, \$2.179m).

Operating lease receivables

At the reporting date, Council had the following operating leases for the lease of Council owned land and buildings:

These properties held under operating lease have remaining non cancellable lease term of between 1 and 35 years annual rental reviews, either by fixed percentage or CPI annually.

Future minimum rentals receivable under non-cancellable operating lease as the end of year are as follow

| | 2021 \$'000 | 2020 \$'000 |
|---|----------------|----------------|
| Not later than one year | 1,664 | 1,433 |
| Later than one year and not later than five years | 5,681 | 6,877 |
| Later than five years | 7,921 | 7,629 |
| | 15,266 | 15,939 |

(b) Contingent liabilities

General

Council controls large areas of public open space, provides general and personal services to residents, visitors and ratepayers, has responsibilities and regulatory authorities including the issue of permits and approvals, and controls significant buildings and infrastructure assets. Council is involved from time to time in various claims incidental to the ordinary course of business including claims for damages relating to its services.

Council's Risk Management Plan includes securing insurance to cover insurable risks to limit exposure to liabilities arising from actions of the Council or its Officers where it is appropriate to do so.

Bank guarantees issues

Council is responsible for the following bank guarantee:

Department of Primary Industries for \$150,000 in connection with Extractive Industry Licence No. 54-1.

Building cladding

The impact on Council for building cladding rectification has been evaluated. Council is currently planning to undertake cladding rectification work on Council buildings where required.

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's Deed of Establishment allows for a call on each member should there be an insufficiency of capital for an insurance year which has an overall financial deficit. The deficit amount can be collected through this call and each member's liability for the amount is in direct proportion to their contribution for that year against the overall contribution pool. At reporting date Council had not been advised of call.

Superannuation contribution

Council has obligations under a defined benefit superannuation scheme, matters relating to this potential obligation are outlined in Note 9.3. As a result of the volatility in financial markets, the likelihood of making such contributions in future periods exists. At this point in time, it is not known if additional contributions will be required, their timing or potential amount.

Parking infringements review - private car parks

A potential issue has arisen in that some infringements may have been issued by Council officers in private car parks outside of the authorised hours in the terms of agreements with private land owners. Council may have a liability to refund monies. Council officers are working to determine the number of invalid infringements, quantum and timing of any refunds and as such this is yet to be finalised at the time of reporting. Council is also undertaking a review of the administration of the traffic management function related to private car parks including a review of the private agreements.

Notes to the Financial Report
For the Year Ended 30 June 2021

MANNINGHAM CITY COUNCIL
2020/21 Financial Report

Note 8 Managing uncertainties (cont.)

8.2 Change in accounting standards

Certain new Australian Accounting Standards and interpretations have been published that are not mandatory for the 30 June 2021 reporting period. Council assesses the impact of these new standards. As at 30 June 2021 there were no new accounting standards or interpretations issued by the AASB which are applicable for the year ending 30 June 2022 that are expected to impact Council.

8.3 Financial instruments

(a) Objectives and policies

Council's principal financial instruments comprise cash assets, term deposits, receivables (excluding statutory receivables), payables (excluding statutory payables) and bank borrowings. Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument is disclosed in 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 our financial instruments will fluctuate because of changes in market prices. The Council's exposures to market risk is primarily through interest rate risk with 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. Interest rate risk arises from interest bearing financial assets and liabilities. Interest bearing assets are predominantly short term liquid assets. As at 30 June 2021 Council had no long term loans or borrowings and is therefore not exposed to interest rate risk on these classes of financial liabilities.

Interest rate risk on financial assets are managed through Council's investment policy which requires the investment of surplus funds only with financial institutions approved under the section 143 of the Local Government Act 1989. The Council's investment policy provides for investment restrictions such as investment placement with authorised deposit taking institutions (ADIs), placement according to Standard and Poor's credit ratings for investment institutions, staging of investment duration, and for the regular monitoring of investment performance and investment institution credit ratings.

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 all financial assets included in the balance sheet. The maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is represented by the carrying amount of that financial asset.

Council manages credit risk exposure through the application of debtor management policies that include arrangement for the timely collection of debts, escalation of recovery actions, and monitoring of debt collection performance. Council also managed credit risk exposure through the application of security bonds and provisions of the Local Government Act 1989 that permit the classification of certain debts as charges against property.

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

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

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

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

Notes to the Financial Report
For the Year Ended 30 June 2021

MANNINGHAM CITY COUNCIL
2020/21 Financial Report

Note 8 Managing uncertainties (cont.)

8.3 Financial instruments (cont.)

(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 mitigate liquidity risk the entity has developed long term financial management strategies containing liquidity and cash flow targets, and regularly monitors budget performance and cash flows against forecasts. The entity has established access to overdraft facilities.

Council's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed on the face of the balance sheet and the amounts related to any financial guarantees disclosed in Note 8.1(b), 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.

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Council's exposure to liquidity risk is deemed insignificant based on prior periods' data, cash flow and liquidity forecasts, and current assessment of risk.

(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 a parallel shift of +0.25% and -0.10% in market interest rates from year-end rates of 0.10% are 'reasonably possible' over the next 12 months.

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.

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the 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 Report
For the Year Ended 30 June 2021

MANNINGHAM CITY COUNCIL
2020/21 Financial Report

Note 8 Managing uncertainties (cont.)

8.4 Fair value measurement (cont.)

Revaluation

Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment, are measured at their fair value, being the price that would be received to sell an asset (or paid to transfer a liability) in an orderly transaction between market participants at the measurement date. At balance date, the Council reviewed the carrying value of the individual classes of assets measured at fair value to ensure that each asset materially approximated its fair value. Where the carrying value materially differed from the fair value at balance date, the class of asset was revalued.

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use on an asset result in changes to the permissible or practical highest and best use of the asset. Further details regarding the fair value hierarchy are disclosed at Note 6.1, Property, infrastructure, plant, equipment and other fixed assets.

In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 1 to 3 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 to sell and value in use, is compared to the asset's carrying value. Value in use is the depreciated replacement cost. 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

The COVID-19 pandemic has created unprecedented economic uncertainty. Actual economic events and conditions in the future may be materially different from those estimated by Manningham City Council at the reporting date. As responses by government continue to evolve, management recognises that it is difficult to reliably estimate with any degree of certainty the potential impact of the pandemic after the reporting date on Manningham City Council, its operations, its future results and financial position. Council continues to closely monitor and review the financial impacts of COVID-19 on Council's operating budget.

No other matters or circumstances have arisen since the end of the financial year which have significantly affected or may affect the operations of Manningham City Council, the results of the operations or the state of affairs of Manningham City Council in future financial years.

Notes to the Financial Report
For the Year Ended 30 June 2021

MANNINGHAM CITY COUNCIL
2020/21 Financial Report

Note 9 Other matters

9.1 Reserves

(a) Asset revaluation reserves

| 2021 | Balance at beginning of reporting year \$'000 | Increment/ (decrement) \$'000 | Realised Revaluation Reserve \$'000 | Balance at end of reporting year \$'000 |
|--|--|--|--|--|
| Property | | | | |
| Land | 986,807 | 108,479 | 7 | 1,095,293 |
| Buildings | 47,071 | (8,222) | - | 38,849 |
| | 1,033,878 | 100,257 | 7 | 1,134,142 |
| Plant, equipment and other fixed assets | | | | |
| Plant, machinery and equipment | 19 | - | - | 19 |
| Fixtures, fittings and furniture | 1,006 | - | - | 1,006 |
| Computers and telecommunications | 75 | - | - | 75 |
| Artworks | 887 | - | - | 887 |
| | 1,987 | - | - | 1,987 |
| Infrastructure | | | | |
| Roads | 116,115 | (1,168) | - | 114,947 |
| Bridges | 5,439 | (360) | - | 5,079 |
| Footpaths and cycleways | 28,843 | (3,136) | - | 25,707 |
| Off street car parks | 5,854 | 76 | - | 5,930 |
| Drainage | 168,941 | (4,975) | - | 163,966 |
| Parks, open space and streetscapes | 205 | - | - | 205 |
| | 325,397 | (9,563) | - | 315,834 |
| Total | 1,361,262 | 90,694 | 7 | 1,451,963 |
| 2020 | Balance at beginning of reporting year \$'000 | Increment/ (decrement) \$'000 | Realised Revaluation Reserve \$'000 | Balance at end of reporting year \$'000 |
| Property | | | | |
| Land | 1,052,469 | (65,702) | 40 | 986,807 |
| Buildings | 52,847 | (5,440) | (336) | 47,071 |
| | 1,105,316 | (71,142) | (296) | 1,033,878 |
| Plant, equipment and other fixed assets | | | | |
| Plant, machinery and equipment | 19 | - | - | 19 |
| Fixtures, fittings and furniture | 1,006 | - | - | 1,006 |
| Computers and telecommunications | 75 | - | - | 75 |
| Artworks | 887 | - | - | 887 |
| | 1,987 | - | - | 1,987 |
| Infrastructure | | | | |
| Roads | 110,473 | 5,642 | - | 116,115 |
| Bridges | 3,419 | 2,020 | - | 5,439 |
| Footpaths and cycleways | 28,728 | 115 | - | 28,843 |
| Off street car parks | 6,312 | (458) | - | 5,854 |
| Drainage | 166,039 | 2,902 | - | 168,941 |
| Parks, open space and streetscapes | 205 | - | - | 205 |
| | 315,176 | 10,221 | - | 325,397 |
| Total | 1,422,479 | (60,921) | (296) | 1,361,262 |

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

Notes to the Financial Report
For the Year Ended 30 June 2021

MANNINGHAM CITY COUNCIL
2020/21 Financial Report

Note 9 Other matters (cont.)

9.1 Reserves (cont.)

(b) Other reserves

| | Balance at beginning of reporting year \$'000 | Transfer from accumulated surplus \$'000 | Transfer to accumulated surplus \$'000 | Balance at end of reporting year \$'000 |
|--|--|---|---|--|
| 2021 | | | | |
| Open Space (resort and recreation) Reserve (a) | 13,489 | (8,636) | 6,915 | 11,768 |
| Doncaster Hill activity centre DCP Reserve (b) | 797 | - | 633 | 1,430 |
| Total | 14,286 | (8,636) | 7,548 | 13,198 |
| | | | | |
| | Balance at beginning of reporting year \$'000 | Transfer from accumulated surplus \$'000 | Transfer to accumulated surplus \$'000 | Balance at end of reporting year \$'000 |
| 2020 | | | | |
| Open Space (resort and recreation) Reserve (a) | 9,227 | (4,353) | 8,615 | 13,489 |
| Doncaster Hill activity centre DCP Reserve (b) | - | (158) | 955 | 797 |
| Total | 9,227 | (4,511) | 9,570 | 14,286 |

(a) The Open Space (resort and recreation) Reserve was established to control contributions received from developers that will, upon completion of developments be utilised to acquire and create open space, and develop recreation and other facilities for residents in the respective development areas.

(b) The Doncaster Hill activity centre DCP Reserve was established to control contributions levied on developers under the Doncaster Hill Development Contributions Plan Overlay (DCPO) and funds will be utilised to develop social and community infrastructure in accordance with the conditions contained in the DCPO.

Notes to the Financial Report
For the Year Ended 30 June 2021

MANNINGHAM CITY COUNCIL
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| | 2021 \$'000 | 2020 \$'000 |
|--|----------------|----------------|
| Note 9 Other matters (cont.) | | |
| 9.2 Reconciliation of cash flows from operating activities to surplus/(deficit) | | |
| Surplus/(deficit) for the year | 28,962 | 26,328 |
| Depreciation/amortisation | 26,028 | 23,946 |
| Net gain/(loss) on disposal of property, plant and equipment, infrastructure | (26) | 1,595 |
| Contributed assets | (10,670) | (8,324) |
| Share of gain from associate | (300) | (221) |
| Adjustment for work in progress write-off to other expenses | 29 | 5 |
| Change in assets and liabilities: | | |
| (Increase)/decrease in trade and other receivables | (2,966) | (2,279) |
| (Increase)/decrease in other assets | (465) | 2,194 |
| Increase/(decrease) in income received in advance | 7,158 | 1,403 |
| Increase/(decrease) in trade and other payables | (12,450) | 832 |
| (Decrease)/increase in other assets and liabilities | 57 | 182 |
| (Increase)/decrease in provisions | 826 | 741 |
| Adjustment for grant received in prior year spent in current year | - | (228) |
| Net cash provided by operating activities | 36,183 | 46,174 |

9.3 Superannuation

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

Accumulation

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

Defined Benefit

Manningham City 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 Manningham City Council in the Fund cannot be measured as a percentage compared with other participating employers. Therefore, the Actuary is unable to allocate benefit liabilities, assets and costs between employers for the purposes of AASB 119 Employee Benefits.

Funding arrangements

Manningham City Council makes employer contributions to the Defined Benefit category of the Fund at rates determined by the Trustee on the advice of the Fund Actuary.

A triennial actuarial review for the Defined Benefit category as at 30 June 2020 was conducted and completed by the due date of 31 December 2020. The vested benefit index (VBI) of the Defined Benefit category of which Council is a contributing employer was 104.6%. The financial assumptions used to calculate the VBI were:

| | |
|------------------------|---|
| Net investment returns | 5.6% pa |
| Salary information | 2.5% pa for two years and 2.75% pa thereafter |
| Price inflation (CPI) | 2.0% pa |

As at 30 June 2021, an interim actuarial investigation is underway as the Fund provides lifetime pensions in the Defined Benefit category.

Vision Super has advised that the estimated VBI as at 30 June 2021 was 109.7%. The financial assumptions used to calculate this VBI were:

| | |
|------------------------|----------|
| Net investment returns | 4.8% pa |
| Salary information | 2.75% pa |
| Price inflation (CPI) | 2.25% pa |

The VBI is used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2020 actuarial investigation determined the Defined Benefit category was in a satisfactory financial position and that no change was necessary to the Defined Benefit category's funding arrangements from prior years.

Notes to the Financial Report
For the Year Ended 30 June 2021

MANNINGHAM CITY COUNCIL
2020/21 Financial Report

Note 9 Other matters (cont.)

9.3 Superannuation (cont.)

Employer contributions

Regular contributions

On the basis of the results of the 2020 triennial actuarial investigation conducted by the Fund Actuary, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2021, this rate was 9.5% of members' salaries (9.5% in 2019/2020). 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 2020 triennial valuation.

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

Funding calls

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

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

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

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

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

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

The 2020 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. A full investigation was conducted as at 30 June 2020.

The Fund's actuarial investigation identified the following for the Defined Benefit category of which Manningham City Council is a contributing employer.

| | 2020 (Triennial) | 2019 (Interim) |
|---|---------------------|-------------------|
| | \$m | \$m |
| • A VBI surplus | 100.0 | 151.3 |
| • A total service liability surplus | 200.0 | 233.4 |
| • A discounted accrued benefits surplus | 217.8 | 256.7 |

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2020.

The total service liability surplus means that the current value of the assets in the Fund's Defined Benefit category plus expected future contributions exceeds the value of expected future benefits and expenses as at 30 June 2020.

The discounted accrued benefit surplus means that the current value of the assets in the Fund's Defined Benefit category exceeds the value of benefits payable in the future but accrued in respect of service to 30 June 2020.

Manningham City Council was notified of the 30 June 2020 VBI during August 2020 (2019: August 2019).

Notes to the Financial Report
For the Year Ended 30 June 2021

MANNINGHAM CITY COUNCIL
2020/21 Financial Report

Note 9 Other matters (cont.)

9.3 Superannuation (cont.)

The 2021 interim actuarial investigation

A interim actuarial investigation is being conducted for the Fund's position as at 30 June 2021 as the Fund provides lifetime pensions in the Defined Benefit category. It is anticipated that this actuarial investigation will be completed by October 2021. Manningham City Council was notified of the 30 June 2021 VBI during August 2021 (2020: August 2020).

Superannuation contributions

Contributions by Council (excluding any unfunded liability payments) to the above superannuation plans for the financial year ended 30 June 2021 are detailed below:

| Scheme | Type of Scheme | Rate | 2021 \$'000 | 2020 \$'000 |
|--------------|-------------------|-------|----------------|----------------|
| Vision super | Defined benefit | 9.50% | 229 | 279 |
| Vision super | Accumulation fund | 9.50% | 2,229 | 2,265 |
| Other Funds | Accumulation fund | 9.50% | 1,963 | 1,628 |

In addition to the above contributions, Manningham City Council has paid unfunded liability payments to Vision Super totalling \$0 during the 2020/21 year (2019/20 \$0).

There were no contributions outstanding and no loans issued from or to the above schemes as at 30 June 2021.

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2022 is \$238,000.

Note 10 Change in accounting policy

a) AASB 1059 Service Concession Arrangements: Grantors (AASB 1059) (applies 2020/21 for LG Sector)

AASB 1059 addresses the accounting for a service concession arrangement by a grantor that is a public sector entity by prescribing the accounting for the arrangement from the grantor's perspective.

Based on the Council's current assessment, there is expected to be no impact on the transactions and balances recognised in the financial statements as Council is not a grantor in a service concession arrangement.

b) AASB 2018-7 Amendments to Australian Accounting Standards - Definition of Material (applies 2020/21 for LG Sector)

The Standard principally amends *AASB 101 Presentation of Financial Statements* and *AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors*. The amendments refine the definition of material in AASB 101. The amendments clarify the definition of material and its application by improving the wording and aligning the definition across AASB Standards and other publications. The impacts on the local government sector are expected to be minimal.

c) AASB 2019-1 Amendments to Australian Accounting Standards - References to the Conceptual Framework (applies 2020/21 for LG Sector)

This Standard sets out amendments to Australian Accounting Standards, Interpretations and other pronouncements to reflect the issuance of the Conceptual Framework for Financial Reporting (Conceptual Framework) by the AASB. The impacts on the local government sector are expected to be minimal.

Manningham City Council Performance Statement

For the year ended 30 June 2021

Description of municipality

Manningham City Council is located in Melbourne's north-eastern suburbs, commencing with its western boundary in Bulleen, 12 kilometres from the Melbourne CBD and extending to Wonga Park at its eastern extremity, 32 kilometres from the CBD. The City is bounded by the Yarra River, Banyule City and Nillumbik Shire in the north, Yarra Ranges Shire in the east, Koonung Creek, Maroondah City and the Cities of Whitehorse and Boroondara in the south and Banyule City and the Yarra River in the west.

The City encompasses a total land area of 114 square kilometres, including a substantial 17% green open spaces. The non-urban areas include a large tract of the Green Wedge, and are used mainly for rural residential living, conservation and small scale agriculture.

As at 30 June 2021, our estimated population was 128,929 people across the City, including the suburbs of Bulleen, Doncaster, Doncaster East, Donvale, Nunawading (part), Park Orchards, Ringwood North (part), Templestowe, Templestowe Lower, Warrandyte, Warrandyte South and Wonga Park (part).

Certification of the Performance Statement

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

Jon Gorst (BCom, CPA)
Principal Accounting Officer
14 September 2021
Doncaster

In our opinion, the accompanying performance statement of the Manningham City Council for the year ended 30 June 2021 presents fairly the results of council's performance in accordance with the Local Government Act 1989 and the Local Government (Planning and Reporting) Regulations 2014 (as per the transitional provisions of the Local Government Act 2020).

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

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

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

Andrew Conlon
Mayor
14 September 2021
Doncaster

Anna Chen
Deputy Mayor
14 September 2021
Doncaster

Andrew Day
Chief Executive Officer
14 September 2021
Doncaster

Other Information**For the year ended 30 June 2021****1. Basis of preparation**

Council is required to prepare and include a performance statement within its annual report. The performance statement includes the results of the prescribed sustainable capacity, service performance and financial performance indicators and measures together with a description of the municipal district and an explanation of material variations in the results. This statement has been prepared to meet the requirements of the Local Government Act 1989 and Local Government (Planning and Reporting) Regulations 2014 (as per the transitional provisions of the Local Government Act 2020).

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

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

The forecast figures included in the performance statement are those adopted by council in its 2021/22 Budget on 29 June 2021 and which forms part of the Council Plan. The 2021/22 Budget includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General Purpose Financial Statements. The 2021/22 Budget can be obtained by contacting council.

2. Impact of COVID-19 on Council operations

On 30 January 2020, COVID-19 was declared to be a global pandemic by the World Health Organisation. Since then, various measures have been implemented by all three levels of Government in Australia to reduce the spread of COVID-19. This crisis and measures taken to mitigate it has impacted council operations in a number of areas during the financial year ended 30 June 2021.

In response to a decrease in demand and government directives amidst the COVID-19 outbreak, a number of Council services were reduced or closed including our recreation, leisure and community facilities including Aquarena, stadiums, pavilions, libraries, community centres, the function centre, the Civic Centre and MC2. These closures resulted in a decrease in Council revenue and other unbudgeted costs.

During 2020/21 Council also provided a range of COVID-19 community financial relief measures including:

- The continued ability for rate payers to apply for special rate repayment arrangements for those qualifying on financial hardship grounds.
- A COVID-19 Community Relief Fund to provide funding to sectors of the community in need.
- Rent and lease relief, and utility subsidies, for sporting clubs, community groups and commercial tenants who use Council facilities.

Council continues to closely monitor the impact of the COVID-19 pandemic and work with the community through these challenging times. Refer to the Annual Financial Report for further information.

MANNINGHAM CITY COUNCIL
2020/21 Performance Statement

Independent Auditor's Report to come

MANNINGHAM CITY COUNCIL
2020/21 Performance Statement

Independent Auditor's Report to come

Sustainable Capacity Indicators

For the year ended 30 June 2021

| Indicator / measure [formula] | Results | | | | Comments - Material Variations |
|--|------------|------------|------------|------------|---|
| | 2018 | 2019 | 2020 | 2021 | |
| Population | | | | | |
| C1 Expenses per head of municipal population [Total expenses / Municipal population] | \$913.67 | \$951.72 | \$996.46 | \$1,000.25 | Over the period, Council manages to deliver high-quality services within a responsible budget at an average of \$1,000 per head of municipal population. This demonstrates that Council is committed to provide core services and community facilities in a cost effective way. |
| C2 Infrastructure per head of municipal population [Value of infrastructure / Municipal population] | \$6,450.99 | \$6,802.18 | \$6,856.92 | \$6,764.58 | |
| C3 Population density per length of road [Municipal population / Kilometres of local roads] | 205.81 | 205.83 | 209.14 | 210.46 | Manningham has a lower population density per km of road than similar councils. The maintenance and upgrade of local road network is funded by an ongoing capital works program and maintenance funds. |
| Own-source revenue | | | | | |
| C4 Own-source revenue per head of municipal population [Own-source revenue / Municipal population] | \$910.10 | \$954.57 | \$948.91 | \$944.73 | The result reflects the importance of generating revenue from new and different sources to ensure ongoing financial sustainability. |
| Recurrent grants | | | | | |
| C5 Recurrent grants per head of municipal population [Recurrent grants / Municipal population] | \$109.33 | \$106.30 | \$101.69 | \$96.33 | Over the course of 4 years there is a decrease in average recurrent government grants per head of municipal population leaving Council to heavily rely on rates revenue to fund community services and infrastructure needs. |
| Disadvantage | | | | | |
| C6 Relative Socio-Economic Disadvantage [Index of Relative Socio-Economic Disadvantage by decile] | 9.00 | 9.00 | 9.00 | 9.00 | Manningham has a low level of socio-economic disadvantage relative to many councils. Data released from the most recent census (2016) indicates that the level of disadvantage has increased in a few areas leading to a reduction in this indicator by 1 decile compared to the last census publication. |
| Workforce turnover | | | | | |
| C7 Percentage of staff turnover [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100 | 9.92% | 9.62% | 11.61% | 9.32% | Workforce turnover of 9.32% is lower than previous years reflecting a stable workforce. |

Definitions

"adjusted underlying revenue" means total income other than:

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

(b) non-monetary asset contributions; and

(c) contributions to fund capital expenditure from sources other than those referred to above "infrastructure" means non-current property, plant and equipment excluding land

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

"population" means the resident population estimated by council

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

"relative socio-economic disadvantage", in relation to a municipality, means the relative socio-economic disadvantage, expressed as a decile for the relevant financial year, of the area in which the municipality is located according to the Index of Relative Socio-Economic Disadvantage (Catalogue Number 2033.0 55.001) 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

| Service/ indicator/ measure | 2018 | 2019 | 2020 | 2021 | Comments |
|---|-------------|-------------|--------|--------|---|
| Aquatic Facilities | | | | | |
| Utilisation | | | | | |
| AF6 Utilisation of aquatic facilities [Number of visits to aquatic facilities / Municipal population] | 5.68 | 5.27 | 3.97 | 1.66 | We uphold community safety at our aquatic facility <i>Aquarena</i> and only opened when safe to do so under the Victorian Government's Covid-19 restrictions. We have seen visits fall significantly, impacted by a number of closures, patron caps and density quotients. The facility was fully closed for 100 days, open with limited density and caps for 202 days, and 63 days where the outdoor 50m pool was the only area of the facility open. <i>Aquarena</i> provides great value with a variety of programs and activities and work continues to encourage participation when it is safe to do so. |
| Animal Management | | | | | |
| Health and safety | | | | | |
| AM7 Animal management prosecutions [Number of successful animal management prosecutions] | New in 2020 | New in 2020 | 100% | 100% | We work to ensure responsible pet ownership and community safety with prosecution as a last resort. Across the year we were 100% successful in animal management prosecutions. |
| Food Safety | | | | | |
| Health and safety | | | | | |
| FS4 Critical and major non-compliance outcome notifications [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 | 99.03% | 98.40% | 97.48% | 93.38% | We prioritise the health and wellbeing of the community and respond to critical and major non-compliance notifications. We have seen a slight decline in the result compared to last year as not all follow up inspections were able to be performed as the premises was closed as a result of Covid-19 restrictions. |
| Governance | | | | | |
| Satisfaction | | | | | |
| G5 Satisfaction with council decisions [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community] | 57 | 57 | 57 | 58 | Our Council continues to work to improve community satisfaction with council decisions. We have seen a positive increase in the result for this year from the annual Community Satisfaction Survey. This survey is conducted by an independent research company on behalf of the Victorian Government. |
| Libraries | | | | | |
| Participation | | | | | |
| LB4 Active library borrowers in municipality [Number of active library borrowers in the last three years / The sum of the population for the last three years] x100 | 14.89% | 14.74% | 14.30% | 12.32% | We operated our libraries under the Victorian Government's Covid-19 restrictions to keep the community safe. As a result of closures and restrictions which were in place for the majority of the year, we have seen a significant decrease in library participation compared to the previous years. We are working to resume and adapt our services as it is safe to do so. |
| Maternal and Child Health (MCH) | | | | | |
| Participation | | | | | |
| MC4 Participation in the MCH service [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100 | 74.36% | 79.67% | 76.42% | 77.44% | We have seen a slight increase in participation rates this year in our highly valued Maternal Child Health service, despite the significant challenges for attending families and nurses, as the service operated under with the Victorian Government's Covid-19 restrictions to protect community safety. |
| Participation | | | | | |
| MC5 Participation in the MCH service by Aboriginal children [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100 | 85.11% | 70.97% | 82.14% | 73.53% | We have seen a small increase in the number of Aboriginal and Torres Strait Islander children participate in our Maternal Child Health service. However as the total number of children enrolled in the service was slightly greater at 17 from 14 in 2019/20, this has resulted in an decrease in the overall result compared to last year. The year also saw significant challenges for attending families and nurses, as the service operated in-line with the Victorian Government's Covid-19 restrictions to protect community safety. |

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| Service/indicator/measure | 2018 | 2019 | 2020 | 2021 | Comments |
|---|--------|--------|--------|--------|---|
| Roads | | | | | |
| Satisfaction | | | | | |
| R5 Satisfaction with sealed local roads [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads] | 64 | 66 | 66 | 64 | We continue to work to improve the community's satisfaction with local roads. We have seen a slight decline of 2 this year from the annual Community Satisfaction Survey. This survey is conducted by an independent research company on behalf of the Victorian Government. |
| Statutory Planning | | | | | |
| Decision making | | | | | |
| SP4 Council planning decisions upheld at VCAT [Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100 | 64.71% | 52.46% | 51.35% | 63.33% | We have seen an increase in the overall percentage of decisions upheld at the tribunal from 51% in 2019/20 to 63% in 2020/21. In 2020/21, 5 of 11 decisions set aside were successfully negotiated at compulsory conference or through outside negotiations with the permit applicant. |
| Waste Collection | | | | | |
| Waste diversion | | | | | |
| WC5 Kerbside collection waste diverted from landfill [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100 | 54.12% | 53.24% | 56.40% | 55.21% | We continue work to delivery a high quality waste service. This year we have seen a 2.11% decrease in tonnages diverted from landfill compared to last year. Contributing factors include significant weather events increasing the garden waste and an increase in garbage with families at home during Covid-19 lockdown. |

Definitions

"Aboriginal child" means a child who is an Aboriginal person
 "Aboriginal person" has the same meaning as in the Aboriginal Heritage Act 2006
 "active library borrower" means a member of a library who has borrowed a book from the library
 "annual report" means an annual report prepared by a council under sections 131, 132 and 133 of the Act
 "CALD" means culturally and linguistically diverse and refers to persons born outside Australia in a country whose national language is not English
 "class 1 food premises" means food premises, within the meaning of the Food Act 1984, that have been declared as class 1 food premises under section 19C of that Act
 "class 2 food premises" means food premises, within the meaning of the Food Act 1984, that have been declared as class 2 food premises under section 19C of that Act
 "critical non-compliance outcome notification" means a notification received by council under section 19N(3) or (4) of the Food Act 1984, or advice given to council by an authorized officer under that Act, of a deficiency that poses an immediate serious threat to public health
 "local road" means a sealed or unsealed road for which the council is the responsible road authority under the Road Management Act 2004
 "major non-compliance outcome notification" means a notification received by a council under section 19N(3) or (4) of the Food Act 1984, or advice given to council by an authorized officer under that Act, of a deficiency that does not pose an immediate serious threat to public health but may do so if no remedial action is taken
 "MCH" means the Maternal and Child Health Service provided by a council to support the health and development of children within the municipality from birth until school age
 "population" means the resident population estimated by council
 "WorkSafe reportable aquatic facility safety incident" means an incident relating to a council aquatic facility that is required to be notified to the Victorian WorkCover Authority under Part 5 of the Occupational Health and Safety Act 2004

Financial Performance Indicators

For the year ended 30 June 2021

| Dimension/indicator/measure | Results | | | | Forecast | | | | Material Variations |
|--|-------------|-------------|-------------|-------------------|------------|------------|------------|------------|--|
| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | |
| Efficiency | | | | | | | | | |
| Expenditure level | | | | | | | | | |
| E2 Expenses per property assessment [Total expenses / Number of property assessments] | \$2,308.23 | \$2,372.49 | \$2,479.25 | \$2,464.10 | \$2,543.34 | \$2,607.22 | \$2,661.27 | \$2,728.14 | Manningham is continuing to deliver quality services in accordance with its long term plan. The focus continues to be on responsible budgeting while providing cost-effective services and delivering infrastructure projects to meet the needs of our community. |
| Revenue level | | | | | | | | | |
| E4 Average rate per property assessment [General rates and Municipal charges / Number of property assessments] | New in 2020 | New in 2020 | \$ 1,787.81 | \$1,813.82 | \$1,860.23 | \$1,888.15 | \$1,922.81 | \$1,968.03 | Manningham's average general rate increase was 2.0 per cent in 2020/21 in line with the Victorian Government's rate cap. Council's forecast future average general rate increases are in line with forecast CPI / rate caps. Rate revenue is a source of funding for a range of Council services and assists in providing funding to maintain and renew over \$2 billion of community assets such as local roads, community buildings, drains, footpaths, playgrounds and sporting facilities. |
| Liquidity | | | | | | | | | |
| Working capital | | | | | | | | | |
| L1 Current assets compared to current liabilities [Current assets / Current liabilities] x100 | 215.24% | 223.02% | 198.35% | 174.72% | 151.61% | 146.98% | 137.78% | 128.13% | Manningham can comfortably meet all short term financial commitments as and when they arise and is in a sound financial position. The forward year forecasts also indicate that Manningham is expecting to maintain a strong working capital ratio. |
| Unrestricted cash | | | | | | | | | |
| L2 Unrestricted cash compared to current liabilities [Unrestricted cash / Current liabilities] x100 | 63.67% | 37.57% | 36.87% | -13.10% | 33.45% | 33.39% | 18.76% | 11.72% | The reduction in the unrestricted cash ratio is mainly due to Manningham investing in term deposits with a maturity of greater than 90 days to improve interest revenue. Only term deposits with a maturity of 90 days or less are included in the calculation of cash for this ratio. |
| Obligations | | | | | | | | | |
| Loans and borrowings | | | | | | | | | |
| O2 Loans and borrowings compared to rates [Interest bearing loans and borrowings / Rate revenue] x100 | 7.53% | 7.14% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | Manningham is debt free. No future loan borrowings are proposed in the forecast period. |

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| Dimension/indicator/measure | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | Material Variations |
|---|-------------|-------------|---------|---------|---------|---------|---------|---------|--|
| O3 Loans and borrowings repayments compared to rates [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100 | 0.32% | 0.30% | 6.97% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | Manningham is debt free. No future loan borrowings are proposed in the forecast period. |
| Indebtedness | | | | | | | | | |
| O4 Non-current liabilities compared to own source revenue [Non-current liabilities / Own source revenue] x100 | 7.19% | 1.13% | 3.04% | 2.84% | 2.41% | 2.09% | 1.89% | 1.70% | Manningham continues to have a low level of non-current liabilities compared to revenue. |
| Asset renewal and upgrade | | | | | | | | | |
| O5 Asset renewal and upgrade compared to depreciation [Asset renewal and asset upgrade expense / Asset depreciation] x100 | New in 2020 | New in 2020 | 161.28% | 118.17% | 144.01% | 123.61% | 122.37% | 111.54% | The 2020/21 result and budget from 2021/22 onwards demonstrates Manningham's ongoing commitment to invest in the renewal and upgrade of its existing community infrastructure. |
| Operating position | | | | | | | | | |
| Adjusted underlying result | | | | | | | | | |
| OP1 Adjusted underlying surplus (or deficit) [Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x100 | 10.49% | 10.62% | 5.69% | 5.79% | 5.56% | 5.53% | 5.37% | 5.37% | The 2020/21 result is a strong result despite the financial impact on Council of the COVID-19 pandemic. The surplus assists in funding the annual capital works program, which brings major community benefit. |
| Stability | | | | | | | | | |
| Rates concentration | | | | | | | | | |
| S1 Rates compared to adjusted underlying revenue [Rate revenue / Adjusted underlying revenue] x100 | 76.06% | 76.30% | 78.61% | 80.12% | 80.76% | 80.77% | 80.88% | 80.81% | Manningham receives a relatively low level of grants allocation and hence heavily relies on rate revenue for the delivery of high-quality services and infrastructure to the community. |
| Rates effort | | | | | | | | | |
| S2 Rates compared to property values [Rate revenue / Capital improved value of rateable properties in the municipality] x100 | 0.20% | 0.17% | 0.20% | 0.19% | 0.20% | 0.21% | 0.21% | 0.22% | The ratio highlights Manningham's relative low rate burden on its community when compared to property value. |

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| Retired measures | | | | | |
|--|---------|---------|-----------------|------|--|
| Dimension/indicator/measure | 2018 | 2019 | 2020 | 2021 | Comments |
| Animal Management | | | | | |
| Health and safety | | | | | |
| AM4 Animal management prosecutions [Number of successful animal management prosecutions] | 6 | 7 | Retired in 2020 | | This measure was replaced by AM7 from 1 July 2019. |
| Efficiency | | | | | |
| Revenue level | | | | | |
| E1 Average residential rate per residential property assessment [Residential rate revenue / Number of residential property assessments] | \$1,911 | \$1,961 | Retired in 2020 | | This measure was replaced by E4 from 1 July 2019. |
| Obligations | | | | | |
| Asset renewal | | | | | |
| O1 Asset renewal compared to depreciation [Asset renewal expense / Asset depreciation] x100 | 96.53% | 87.46% | Retired in 2020 | | This measure was replaced by O5 from 1 July 2019. |

| Governance and Management Checklist | Assessment |
|---|--|
| 1 Community engagement policy (policy under section 55 of the Act outlining Council's commitment to engaging with the community on matters of public interest) | Adopted in accordance with section 55 of the Act <input checked="" type="checkbox"/> Date of adoption: 26 February 2021 |
| 2 Community engagement guidelines (guidelines to assist staff to determine when and how to engage with the community) | Guidelines <input checked="" type="checkbox"/> Date of adoption: 26 February 2021 |
| 3 Financial Plan (plan under section 91 of the Act outlining the financial and non-financial resources required for at least the next 10 financial years) | Adopted in accordance with section 91 of the Act <input checked="" type="checkbox"/> Date of adoption: 24 August 2021 |
| 4 Asset Plan (plan under section 92 of the Act setting out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years) | Council is preparing our new Asset Plan, in accordance with Section 92, for the deadline of 30 June 2022. <input checked="" type="checkbox"/> In the meantime our operational Asset Plans are: Drainage Asset Management Plan 31/07/2007, Roads Asset Management 28/08/2012, Building Asset Management Plan 28/08/2012, Parks Asset Management Plan 28/08/2012 |
| 5 Revenue and Rating Plan (plan under section 93 of the Act setting out the rating structure of Council to levy rates and charges) | Adopted in accordance with section 93 of the Act <input checked="" type="checkbox"/> Date of adoption: 29 June 2021 |
| 6 Annual budget (plan under section 94 of the Act setting out the services to be provided and initiatives to be undertaken during the budget year and the funding and other resources required) | Adopted in accordance with section 94 of the Act <input checked="" type="checkbox"/> Date of adoption: 29 June 2021 |
| 7 Risk policy (policy outlining council's commitment and approach to minimising the risks to council's operations) | Policy <input checked="" type="checkbox"/> Date of commencement: 25 July 2017 |
| 8 Fraud policy (policy outlining council's commitment and approach to minimising the risk of fraud) | Policy <input checked="" type="checkbox"/> Date of commencement: 10 December 2019 <input type="checkbox"/> |
| 9 Municipal emergency management plan (plan under section 20 of the Emergency Management Act 1986 for emergency mitigation, response and recovery) | Prepared and maintained in accordance with section 20 of the <i>Emergency Management Act 1986</i> <input checked="" type="checkbox"/> Date of preparation: 1 July 2019 |
| 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 the Council) | Adopted in accordance with section 108 of the Act <input checked="" type="checkbox"/> Date of adoption: 28 July 2020 |

| Governance and Management Checklist | Assessment |
|--|--|
| <p>11 Business continuity plan (plan setting out the actions that will be undertaken to ensure that key services continue to operate in the event of a disaster)</p> | <p>Plan ☒ Date of adoption: 13 March 2020</p> |
| <p>12 Disaster recovery plan (plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster)</p> | <p>Plan ☒ Date of adoption: 14 December 2020</p> |
| <p>13 Risk management framework (framework outlining council's approach to managing risks to the council's operations)</p> | <p>Framework ☒ Date of commencement: 25 July 2017</p> |
| <p>14 Audit and Risk Committee (see sections 53 and 54 of the Act)</p> | <p>Established in accordance with section 53 of the Act ☒ Date of establishment: 13 January 1998</p> |
| <p>15 Internal audit (independent accounting professionals engaged by the council to provide analyses and recommendations aimed at improving council's governance, risk and management controls)</p> | <p>Engaged ☒ Date of engagement: 20 September 2019</p> |
| <p>16 Performance reporting framework (a set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 131 of the Local Government Act 1989)</p> | <p>Framework ☒ Date of adoption: 27 June 2017</p> |
| <p>17 Council Plan report (report reviewing the performance of the council against the council plan, including the results in relation to the strategic indicators, for the first six months of the financial year)</p> | <p>Report ☒ Date of Report: 15 January 2021</p> |
| <p>18 Financial reporting (quarterly statements to the Council under section 138(1) of the Local Government Act 1989, comparing actual and budgeted results and an explanation of any material variations)</p> | <p>Reports presented to the Council in accordance with section 138(1) of the Local Government Act 1989 ☒ Date reports presented: 25 July 2020, 15 December 2020, 23 February 2021 and 25 May 2021</p> |
| <p>19 Risk reporting (6-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies)</p> | <p>Reports ☒ Date of reports: 17 July 2020 and 12 March 2021</p> |

| | |
|--|--|
| <p>20 Performance reporting (6-monthly reports of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 131 of the Local Government Act 1989)</p> | <p>Reports ☒</p> <p>Date of reports: 13 March 2021 and 3 September 2021</p> |
| <p>21 Annual report (annual report under sections 131, 132 and 133 of the Local Government Act 1989 containing a report of operations and audited financial and performance statements)</p> | <p>Presented at a meeting of the Council in accordance with section 134 of the Act ☒</p> <p>Date statements presented: 28 September 2021</p> |
| <p>22 Councillor Code of Conduct (Code under section 139 of the Act setting out the standards of conduct to be followed by Councillors and other matters)</p> | <p>Reviewed and adopted in accordance with section 139 of the Act ☒</p> <p>Date reviewed: 23 February 2021</p> |
| <p>23 Delegations (documents setting out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff, in accordance with sections 11 and 47 of the Act))</p> | <p>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 ☒</p> <p>Date of review: 8 June 2021</p> |
| <p>24 Meeting procedures (Governance Rules under section 60 of the Act governing the conduct of meetings of Council and delegated committees)</p> | <p>Governance Rules adopted in accordance with section 60 of the Act ☒</p> <p>Date Governance Rules adopted: 24 August 2020</p> |

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

Andrew Day

Chief Executive Officer

Dated: 14 September 2021

Cr Andrew Conlon

Mayor

Dated: 14 September 2021

6 MEETING TO HEAR SUBMISSIONS - PROPOSED ROAD CLOSURE - ARUNDEL ROAD (WEST), PARK ORCHARDS

File Number: IN21/566
Responsible Director: Chief Executive Officer
Attachments: Nil

EXECUTIVE SUMMARY

At the Council meeting held on 25 May 2021, Council resolved to commence the statutory process under the Local Government Act 1989 (LGA 1989) to permanently close Arundel Road (west), Park Orchards to through traffic at the intersection of Park Road.

As part of this statutory process, Council is required to provide the community with the opportunity to make submissions in accordance with section 223 of the LGA 1989. Further, a person making a submission may request to be heard in support of their submission, or be represented by a person specified in the submission.

Following community consultation on the proposed road closure, 5 people have requested to speak in support of their submission. This report seeks to set the time and date of the submissions hearing and establish a committee of all Councillors to hear the submissions. Submitters have been advised of the proposed time and date of the submissions hearing in anticipation of Council's decision.

COUNCIL RESOLUTION

MOVED: CR CARLI LANGE
SECONDED: CR MICHELLE KLEINERT

That Council

- A. establish a committee of all nine (9) Councillors to hear submissions on the proposed road closure of Arundel Road (west), Park Orchards on Tuesday, 14 September 2021 commencing at 6:45pm;**
- B. note that the meeting will be held virtually in accordance with the current State Government health directions; and**
- C. note that all submitters have been given prior notice of the proposed time and date of the hearing.**

CARRIED

2. BACKGROUND

- 2.1 Section 223 of the LGA 1989 sets out the framework that applies when a person is given a statutory right to make a submission to Council. This ensures that a person who is or may be affected by a proposal is guaranteed a right to participate in Council's decision making process.

3. DISCUSSION / ISSUE

- 3.1 At the Council meeting held on 25 May 2021, Council resolved to commence the statutory process under the LGA 1989 to permanently close Arundel Road (west), Park Orchards to through traffic at the intersection of Park Road.
- 3.2 Following consultation regarding the proposal, five submitters have requested to be heard in support of their submission.
- 3.3 Where a person requests to be heard in support of their submission, Council must provide the person with an opportunity to be heard at a meeting of Council or by a committee established by the Council. Council must also fix the day, time and place of the meeting and give reasonable notice to each person who has asked to be heard.
- 3.4 Submitters have been contacted by officers and advised of the proposed day, time and place of the submissions hearing subject to Council's decision.
- 3.5 Following the hearing of submissions, Councillors will discuss the submissions before a final report is presented to 28 September 2021 Council meeting. This final report will outline the submissions received and provide the reasons for Council arriving at its decision.
- 3.6 All submitters will be advised of Council's decision and its reasons in accordance with the LGA 1989.

4. COUNCIL PLAN / STRATEGY

This report supports the Council Plan theme – Well Governed Council and Manningham's commitment to community engagement and involvement in decision making.

5. DECLARATIONS OF CONFLICT OF INTEREST

No officers involved in the preparation of this report have any general or material conflict of interest in this matter.

The meeting concluded at 6:39pm

Chairperson
CONFIRMED THIS 28 SEPTEMBER 2021