

MURRINDINDI SHIRE COUNCIL ANNUAL REPORT 2017/18



Murrindindi
Shire Council



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ABOUT THIS ANNUAL REPORT

The *Murrindindi Shire Council Annual Report 2017/18* is the first annual report for the period covered by the *Murrindindi Shire Council Plan 2017-2021*. In this report we identify our achievements and challenges over the year 1 July 2017 to 30 June 2018. We report our progress against goals set out in the Council Plan and in relation to the Annual Budget 2017/18.

This Report also contains audited financial reports and performance statements, as required by the Local Government Act 1989. The Report is written for a variety of audiences, including government agencies, the community, ratepayers and businesses.

Copies of this report are available at Council offices or online at www.murrindindi.vic.gov.au

Further copies or questions/comments?

If you would like additional copies of our Annual Report 2017/18 or if you have any questions or feedback about this Report, please get in touch with us.

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Branches:

Alexandra (Main Office)
28 Perkins Street, Alexandra

Kinglake
19 Kinglake-Whittlesea Road, Kinglake

Yea
15 The Semi Circle, Yea

Mobile Library and Customer Service

Locations visited: Buxton, Eildon, Glenburn, Highlands, Marysville, Strath Creek, Toolangi



@murrindindishirecouncil
#discoverdindi

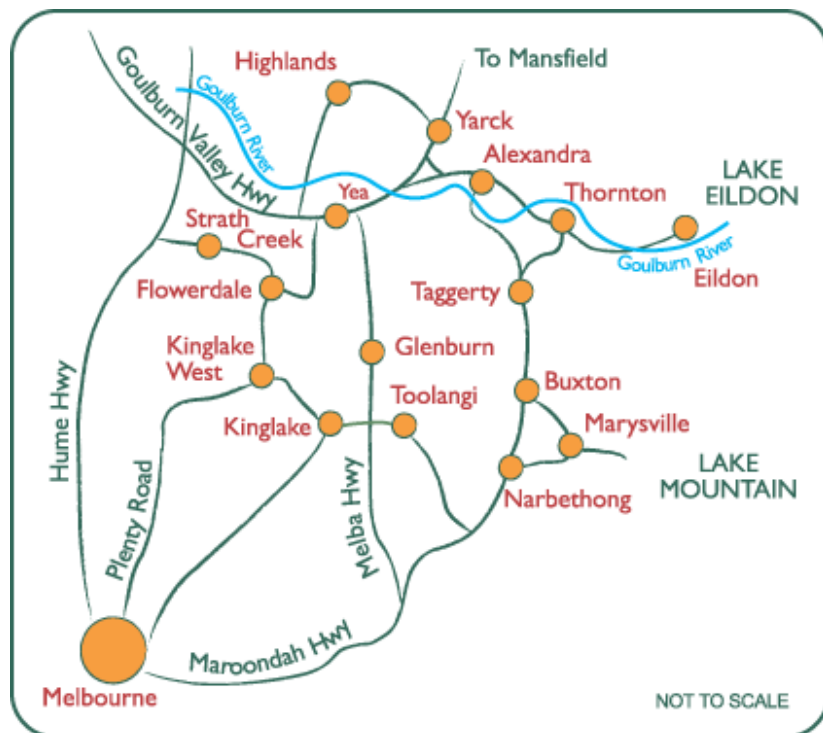
MURRINDINDI SNAPSHOT

Our History

The Taungurung and Wurundjeri peoples are the traditional owners of the land known as Murrindindi Shire.

European settlement followed Hume and Hovell's overland exploration in December 1824. Many local towns were established during the 1850s and 1860s after the discovery of gold.

The Murrindindi Shire Council was declared on 18 November 1994 by the amalgamation of the former municipalities of Alexandra and Yea, and the addition of parts of the former municipalities of Healesville, Broadford, Eltham, Whittlesea and Euroa.



Council Services Offered

- Economic Development
- Tourism Services
- Events Management
- Waste Management
- Environmental Services
- Land Use, Development and Subdivisions
- Building Control
- Aged and Disability Services
- Youth and Recreational Development
- Public Health
- Libraries
- Roads and Bridges
- Children and Family Services
- Community Development
- Customer Services



Our Shire

Location: 150 kms or 90 minutes north east of Melbourne

Area: 3873 square kilometres (48% Crown Land)

Population: 14,167 (ABS - 2017)

Councillors: 7

Rateable Properties: 9,736

Sealed Roads (Council maintained): 492 kilometres

Unsealed Roads (Council maintained): 737 kilometres

Industries

- Agriculture, Aquaculture, Horticulture and Viticulture
- Forestry and Timber processing
- Tourism, Hospitality and Conferencing
- Light Manufacturing and Engineering
- Retail and Trade services
- Education
- Public Services

Townships and Localities

Acheron, Alexandra, Buxton, Cathkin, Castella, Caveat, Devil's River, Dropmore, Eildon, Fawcett, Flowerdale, Ghin Ghin, Glenburn, Gobur, Granton, Highlands, Homewood, Kanumbra, Kerrisdale, Killingworth, Kinglake, Kinglake Central, Kinglake West, Koriella, Limestone, Maintongoon, Marysville, Molesworth, Murrindindi, Narbethong, Pheasant Creek, Rubicon, Strath Creek, Taggerty, Taylor Bay, Terip Terip, Thornton, Toolangi, Whanregarwen, Woodbourne, Yarck, Yea.

VISION

The Murrindindi 2030 Vision was developed in partnership with our community in 2014. It is an aspirational statement of what our community wants Murrindindi Shire to be like in 2030.

“In 2030 we are sustainable, vibrant and resilient. We focus on growing our business opportunities. Our communities are safe and connected, enjoying a healthy and productive lifestyle within our wonderful natural environment.”

COUNCIL VALUES

As the seven elected Councillors who serve as the Murrindindi Shire Council, we have developed a code of conduct which commits us to carry out our roles in accordance with the following values:

Collaboration

We will ...

- operate as a cohesive team
- work together with the community through accessible and inclusive engagement
- strive to build effective working relationships

Stewardship

We will...

- endeavour to make careful and responsible decisions
- strive to make decisions that do not limit the opportunities or aspirations of those who follow in the future

Equity & Fairness

We will,...

- be fair, even-handed and impartial in our decision making and our dealings with others
- consider the merits of each case while upholding legislated requirements and ensuring consistency and justice in our decision making
- strive to ensure all have access to similar opportunities and experiences

Respect

We will...

- respect the views, contributions, feelings, wishes and rights of others
- actively seek to understand others' experiences, ideas and perspectives
- embrace and appreciate diversity of origin, viewpoint, experience and lifestyle
- recognise the achievements of others

Accountability & Honesty

We will...

- make our decisions openly and publicly whenever possible
- take responsibility for our actions and decisions
- honour our commitments
- act with integrity and honesty in all our dealings
- openly report our performance and acknowledge our mistakes

MESSAGE FROM OUR COUNCILLORS



It is with great pleasure that we introduce the 2017/2018 Annual Report. This Report details the work we have done in the last year towards achieving the goals we committed to in the *Murrindindi Shire Council Plan 2017-2021*. This work is for the benefit of our communities and to make our beautiful Shire an even better place to live.

There have been some big changes for Council in the last year. We appointed our new CEO, Craig Lloyd, after an extensive recruitment process. This followed a decision by our previous CEO, Margaret Abbey, to take some well-deserved extended leave in advance of officially retiring in June this year. Craig took on the role as interim CEO from 8 January and transitioned to the role of ongoing CEO on 1 July 2018.

We would like to thank both Margaret and Craig for their efforts through the year in leading the organisation in delivering on a range of objectives under the Council Plan. Margaret departs with our thanks and gratitude for her hard work and achievements over the last nine years in the CEO role. We wish her all the very best for the future. And we welcome Craig to Council to lead the organisation in the important work we now want to do for our communities.

We developed four objectives to focus on within the life of this Council Plan. These are 'Our Promise', 'Our People', 'Our Prosperity' and 'Our Place'. We aim to be successful in addressing a range of things we know are important to our communities. These are things which create more opportunities for our communities, which improve the quality of life, access to infrastructure and enhance wellbeing in the Shire and which improve access to Council services.

We set ourselves an ambitious work plan for 2017/18 and have made considerable progress in achieving it.

We have worked to ensure the Shire is prosperous and continues to grow. We developed the Murrindindi Business and Tourism Innovation Grants Program and delivered the first round of funding allocations to local businesses and groups amounting to \$264,700. We believe this is a wonderful investment in the ingenuity of our people and in our great Shire. We look forward to seeing what the applications under the next round bring.

We supported some fantastic tourism events including two stages of the Jayco Herald Sun Tour, the Marysville Jazz & Blues Festival, Eildon Big Fish Challenge, Alexandra Pro Rodeo and the Alexandra Truck, Ute and Rod Show.

We worked extensively with the community to ensure a successful redevelopment of the Marysville Information and Regional Arts (MiRA) Centre which will be a drawcard for locals and visitors alike.

We have expanded our use of social media, not only to communicate important things about our services and Shire on the Murrindindi Shire Council Facebook page, but also to attract tourists to this wonderful place. If you haven't yet seen 'Discover Dindi' on Instagram and Facebook, we encourage you to do so. They reflect the beauty of this place we are lucky enough to call home.

We are thrilled that, after an extended absence and following an internal and external rejuvenation, our Mobile Library and Customer Service van is back on the road. It is now serving communities in Toolangi, Glenburn and Highlands, in addition to original stops at Eildon, Buxton, Marysville, Strath Creek and Flowerdale. In addition to library services, it now provides the full range of Council's services to our residents.

We launched the Dindi Solar Bulk Buy initiative which provides a great opportunity for our residents to explore solar options for their household energy consumption needs.

As part of our work to encourage the reduction of waste going to landfill, we launched two trial Reuse Shops (Scrap Shacks) at the Alexandra and Yea Resource and Recovery Centres.

We are proud to have adopted a budget for 2018/19 that incorporated a rate rise below that which is allowed under the Victorian Government's rate cap. In addition, we have taken on no new debt and delivered a balanced budget. We are also reviewing the use of our financial reserves to ensure we are taking a sustainable approach to our finances in the longer term.

Council has been working with State and Federal government to help raise Murrindindi Shire's profile so that we can advance the things our community believes to be important. These include improvements to roads, telecommunications and access to mental health services.

We will continue to work collaboratively with governments and our communities to make the changes we want to see for our Shire.

MESSAGE FROM OUR CEO



It has been an exciting six months since joining Murrindindi Shire Council in January. I have really enjoyed working with Councillors and staff, and getting to know more about the issues that matter to the communities of Murrindindi Shire. It has been great getting out and meeting people and to hear all the wonderful ideas about things we can do to make the Shire an even better place to live.

We have taken a number of important steps along this path already.

We commenced a review of our Depot operations and locations with the aim of creating a more efficient and responsive infrastructure maintenance service, which will better meet the needs of the whole Shire.

We have reviewed our approach to Local Law enforcement (now known as 'Community Safety'). We will be prioritising our efforts in this area to reflect community expectations for Council responsiveness on safety issues.

We also improved the visibility of Council services delivered in the community through the re-branding of Council vehicles and services.



Council also delivered \$7.76M in capital works in a busy year for infrastructure projects. In particular, we replaced two bridges at Kerrisdale, constructed a new truck parking area at the Yea Saleyards, completed the refurbishment of the Marysville Information and Regional Arts Centre (MiRA) and refurbished facilities at the Thornton Recreation Reserve.

Council is committed to working collaboratively with Taungurung to raise awareness of indigenous culture and history within the Shire. We launched Taungurung language cards in our libraries and supported NAIDOC week events in the Shire.

We developed a New Residents Kit to welcome new residents to the Shire and let them know about the range of services available at Council and within our community.

We also commenced a review of Council's role in the delivery of aged and disability services in response to forthcoming changes in State and Federal government funding arrangements. We look forward to hearing from community members about their needs for the future shape of aged and disability services as part of this review.

Council has an ambitious agenda ahead. We have begun our 'Customer First' Project to improve Council's customer service delivery and to make it easier to access the services you need from Council. We have already completed a major upgrade to our IT platforms to enable further work to modernise our systems.

And we are now examining the way we work. This includes a review of the structure of our organisation and all of our internal processes and a streamlining of our systems to make it easier for the community to access our services quicker, more reliably and with better communication from us. We have started the journey, but there is still much to do. I look forward to reporting our progress through the year.

Together with the community, we have drafted a community planning framework as part of the 'Towards 2030 – Planning our Future' initiative. We will be rolling this out at three locations across the Shire, heralding a new way for Council and the community to work together in partnership.

We have also actively worked with our community and State Government to ensure appropriate support is provided as we head towards the 10th anniversary of the 2009 bushfires.

We want to explore possible shared services arrangements with other regional councils to try to drive greater efficiencies across a range of our services.

I look forward to working with our community to advance this important work in the year to come.

COUNCILLORS



Cr Charlie Bisset (Mayor)

Koriella Ward

First elected: October 2016

Portfolio: the Mayor does not hold a Portfolio

Ward townships: Cathkin, Gobur, Highlands, Limestones, Molesworth, Yarck

Since being sworn in as a Councillor on 9 November 2016, as Mayor, Cr Bisset was Chair of meetings of Murrindindi Shire Council and represented Murrindindi Shire Council on the following advisory committees and external organisations:

- Audit Advisory Committee
- Chief Executive Officer Performance Review Sub-Committee
- Municipal Association of Victoria
- Yea Cemetery Trust
- Yea Saleyards Committee of Management

Cr Sandice McAulay (Deputy Mayor)

Cathedral Ward

First elected: October 2016

Portfolio: Community Services

Ward townships: Buxton, Marysville, Narbethong, Taggerty

Since being sworn in as a Councillor on 9 November 2016, Cr McAulay represented Murrindindi Shire Council on the following advisory committees and external organisations:

- Audit Advisory Committee
- Buxton Recreation Reserve Committee of Management
- Chief Executive Officer Performance Review Sub-Committee
- Gallipoli Park Precinct Committee of Management
- Municipal Emergency Management Planning Committee
- Steavensons Falls Scenic Reserve Committee of Management
- Yea Cemetery Trust



Cr Rebecca (Bec) Bowles

Cheviot Ward

First elected: October 2016

Portfolio: Natural Environment and Climate Change

Ward townships: Flowerdale, Strath Creek, Yea

Since being sworn in as a Councillor on 9 November 2016, Cr Bowles represented Murrindindi Shire Council on the following advisory committees and external organisations:

- Chief Executive Officer Performance Review Sub-Committee
- Murrindindi Environment Advisory Committee
- Friends of Yea Railway Committee of Management
- Peri Urban Group of Rural Councils
- Strath Creek Reserves and Hall Committee of Management
- Timber Towns Victoria
- Yea Pioneer Reserve Committee of Management
- Yea Saleyards Committee of Management
- Yea Showgrounds and Recreation Reserve Committee of Management
- Yea Wetlands Committee of Management
- Yea Cemetery Trust





Cr Jackie Ashe
Eildon Ward

First elected: October 2016
Portfolio: Economic Development
Ward townships: Eildon, Thornton

Since being sworn in as a Councillor on 9 November 2016, Cr Ashe represented Murrindindi Shire Council on the following advisory committees and external organisations:

- Central Ranges Local Learning & Employment Network
- Chief Executive Officer Performance Review Sub-Committee
- Eildon Alliance Boat Ramp Committee of Management
- Eildon Community Resource Centre Committee of Management
- Goulburn River Valley Tourism Board
- Yea Cemetery Trust

Cr Leigh Dunscombe
Kinglake Ward

First elected: October 2016
Portfolio: Corporate and Customer Services
Ward townships: Kinglake, Toolangi

Since being sworn in as a Councillor on 9 November 2016, Cr Dunscombe represented Murrindindi Shire Council on the following advisory committees and external organisations:

- Audit Advisory Committee
- Chief Executive Officer Performance Review Sub-Committee
- Goulburn Valley Waste & Resource Recovery Local Government Forum
- Kinglake Memorial Reserve Committee of Management
- Toolangi Forest Discovery Centre Committee of Management
- Yea Cemetery Trust



Cr Margaret Rae
Redgate Ward

First elected: October 2012, re-elected October 2016
Portfolio: Land Use Planning
Ward townships: Alexandra

Since being sworn in as a Councillor on 9 November 2016, Cr Rae represented Murrindindi Shire Council on the following advisory committees and external organisations:

- Alexandra Racecourse & Recreation Reserve Committee of Management (DELWP)
- Alexandra Showgrounds & Recreation Reserve Committee of Management (DELWP)
- Central Ranges Local Learning & Employment Network
- Chief Executive Officer Performance Review Sub-Committee
- Hume Regional Local Government Network
- Mount Pleasant Reserve Committee of Management
- Municipal Association of Victoria (MAV)
- Peri Urban Group of Rural Councils
- Yea Cemetery Trust



Cr Eric Lording
King Parrot Ward

First elected: September 2015, re-elected October 2016

Portfolio: Infrastructure and Waste

Ward townships: Flowerdale, Glenburn, Kinglake West, Pheasant Creek

Since being sworn in as a Councillor on 9 November 2016, Cr Lording represented Murrindindi Shire Council on the following advisory committees and external organisations:

- Chief Executive Officer Performance Review Sub-Committee
- Flowerdale Community Hall Reserve Committee Inc. (DELWP)
- Goulburn Valley Waste & Resource Recovery Local Government Forum
- Glenburn Community Centre Committee of Management
- Yea Cemetery Trust

OUR ORGANISATION



Craig Lloyd
Interim Chief Executive Officer
January - June 2018

Craig joined Murrindindi Shire Council in January 2018 as Interim CEO. Craig has extensive senior executive experience in the public sector, including roles with state and local government, emergency services and not-for-profit organisations. Craig also worked as a Director with the City of Greater Bendigo, before joining Murrindindi Shire Council.

Craig holds a Masters of Business Administration, Masters of Project Management and a Post Graduate Certificate in Community Development.

Margaret Abbey
Chief Executive Officer
July 2017 - January 2018

Margaret joined Murrindindi Shire Council in 2010 with 26 years of local government experience and retired in June 2018 following a career of distinguished service and performance in the local government sector.

Margaret is the Vice President of the Dame Pattie Menzies Centre Board in Alexandra and in her private capacity is also President of the International Bobbin and Needle Lace Organisation (OIDFA).

Margaret previously held the position of Group Manager, Environment and Planning Services at Nillumbik Council and her first council role was in the Southern Highlands of NSW. Margaret has an Arts Degree, a Masters Degree in Town and Country Planning and Postgraduate qualifications in Management from Victoria University.

Margaret took long term leave in December 2017, formally retiring on 27 June 2018.





Michael Chesworth
General Manager Corporate and Community Services

Michael has been with Murrindindi Shire Council since 1997 and has held a number of senior positions. His current role oversees a broad area of services within the Corporate and Community Services Division.

Michael oversees Business Services, Community Services, Library, Communications, Customer Service, Human Resources Departments, which includes Finance & Rates, Governance, Procurement, Risk Management Insurance, Information Management, Information Technology, Aged and Disability Services, Children's Services, Recreation and Youth.

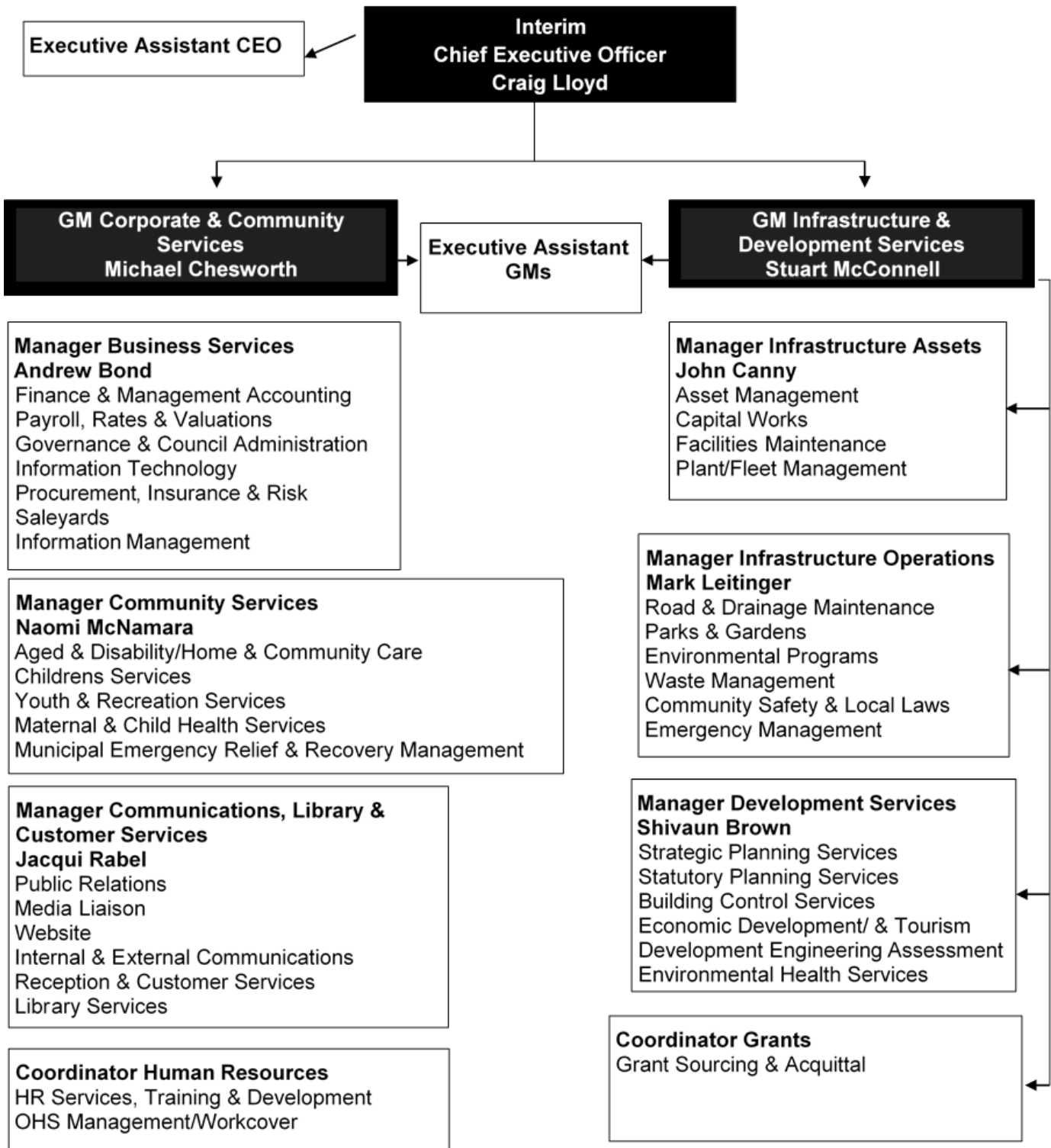
Stuart McConnell
General Manager Infrastructure and Development Services

Stuart joined Murrindindi Shire Council in January 2017 after holding a range of leadership roles in state government and consulting. Stuart brings qualifications in engineering and public health and experience in leadership, strategy, service and program delivery, environmental management and regulation.

Stuart oversees the Infrastructure and Development Division of Council which includes the areas of Asset, Plant and Fleet Management, Capital Works, Environment and Waste, Health and Local Laws, Planning and Building, Economic Development and Emergency Management.



ORGANISATION STRUCTURE



HIGHLIGHTS 2017/18

July

Council supports Murrindindi Inc. to deliver the first Murrindindi Business Awards in over a decade.



August

A Citizenship Ceremony is held in Alexandra. A total of 8 Citizenship Ceremonies took place during 2017/18.



September

Councillors meet Salvation Army's Major Brendan Nottle in Yea as part of his 7,000km journey 'Walk the Walk' from Melbourne to Canberra, in support of people affected by addictions.



October

190 Murrindindi Shire participants take part in the 2017 Aussie Backyard Birdcount, with a total of 1,590 birds counted.



November

The 2017/18 Swimming Pool season opens, with 20,177 pool visits during the season across the four pools (excluding private and school bookings).



December

Councillors take part in the annual Christmas Tree Festival at the Alexandra Town Hall. The Festival is one of over 70 registered events that take place in the Shire during 2017/18.



January

The 2018 Murrindindi Shire Citizen of the Year, Young Citizen of the Year and Senior Citizens of the Year are announced on Australia Day.



Craig Lloyd commences as Council's Interim Chief Executive Officer.



Council's first ever round of Business and Tourism Innovation Grants are launched.



February

Murrindindi Shire hosts two stages of the Jayco Herald Sun Tour, including the final stage in Kinglake for the second consecutive year.



Almost 140 people attend a special High Tea for our Shire's citizens aged 90 or older.



March

Community Recognition Ceremonies are introduced at Council Meetings with Alexandra Secondary College leaders recognised at the meeting in March.



Construction commences on the six Bushfire memorials around the Shire.



Council's redeveloped Yea Saleyards are officially opened.



Council launches its Community Planning Project 'Towards 2030 - Planning Our Future' with support from Insurance Australia Group (IAG).



April

Council's two trial reuse shops open in Alexandra and Yea, with over 100 entries for the naming competition. The winning name 'Scrap Shacks' is announced at the April Council Meeting.



May

The rejuvenated Mobile Library and Customer Service van returns.



Council's Dindi Bulk Buy solar program is launched.



June

Council comes together with the Y Water Discovery Centre and Taungurung Clans Aboriginal Corporation to celebrate Reconciliation Week.

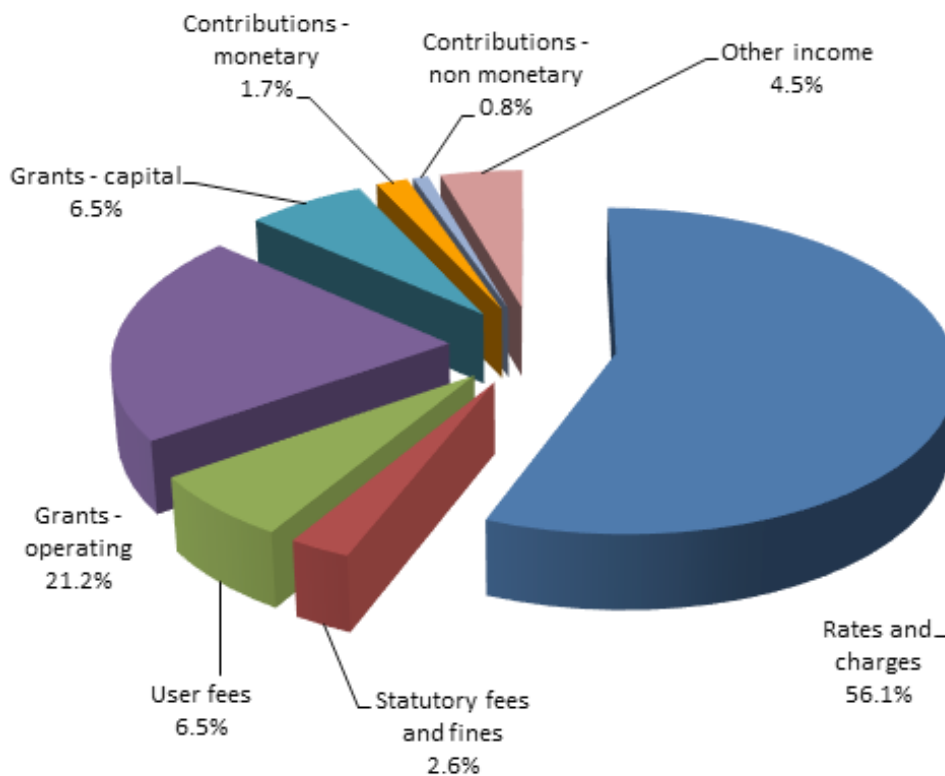


Customer Service training is delivered for new and existing Customer Service staff as part of Council's Customer First Project.

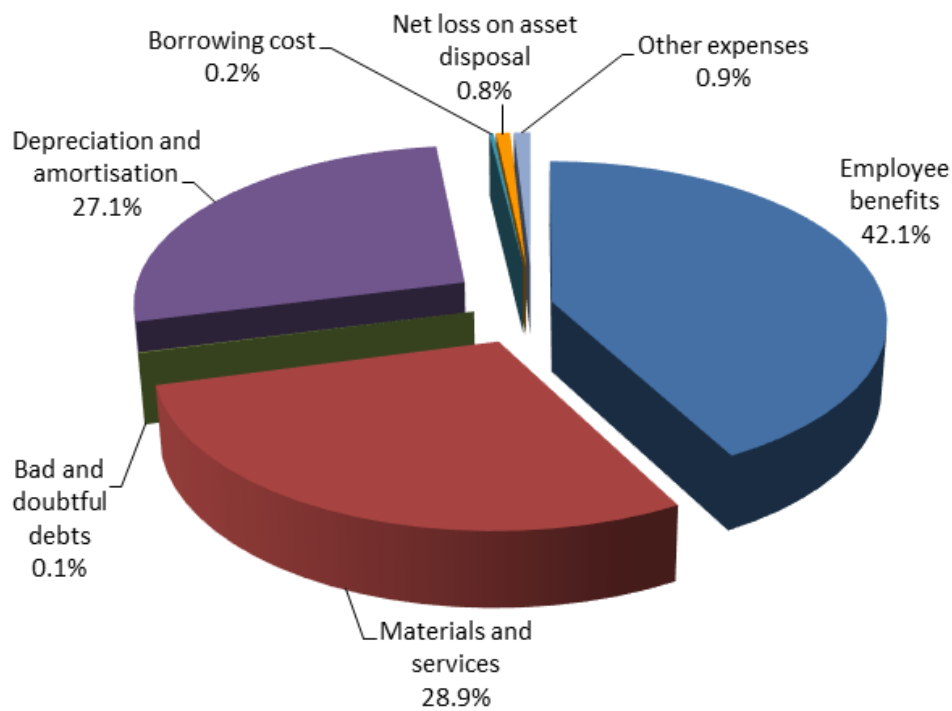


FINANCIAL OVERVIEW 2017/18

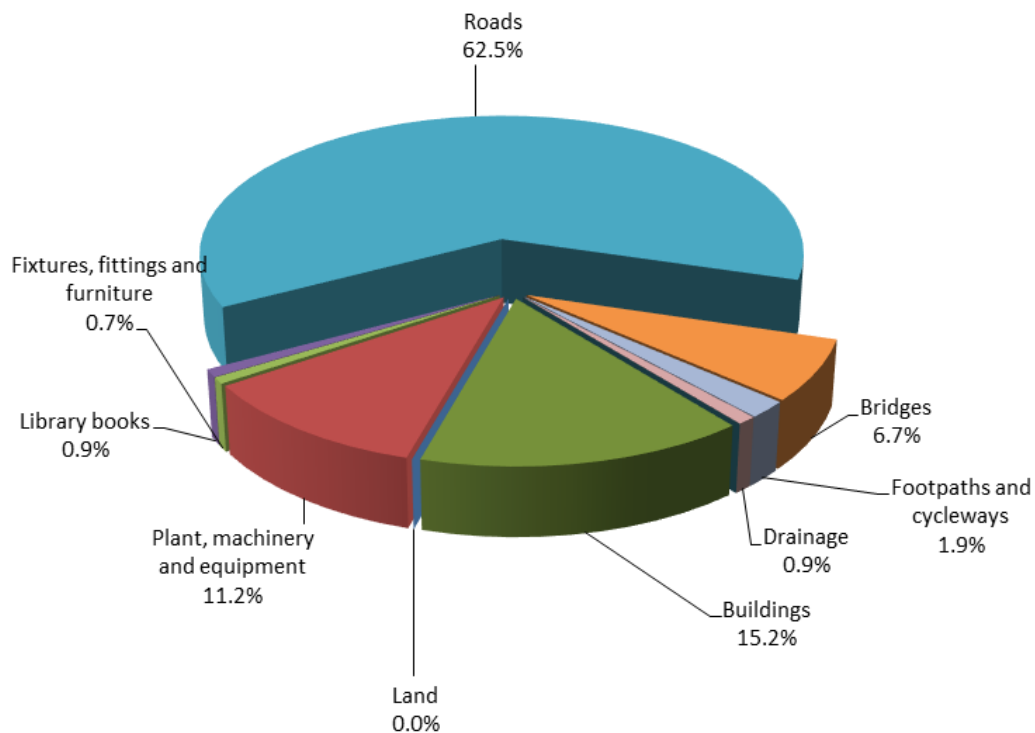
Income Breakdown



Operating Expense Breakdown



Capital Expenditure Breakdown





PERFORMANCE REPORTING

We report our performance under the four strategic objectives of the *Council Plan 2017-2021*. The Council Plan is the key strategic document which reflects Council's priorities and informs our work.



OUR PEOPLE

STRATEGIC OBJECTIVE 1:

TOGETHER WE WILL CELEBRATE AND ENCOURAGE DIVERSE, CARING AND CONNECTED COMMUNITIES.

WHAT WE AIM TO ACHIEVE: (STRATEGIES)

1. Encourage activities and events that celebrate our vibrant, diverse and creative people and communities

WHAT WE DID IN 2017/18:

- We have initiated and delivered a number of community events and celebrations including the International Day of People with a Disability with Buxton Primary School, Seniors Week events and the 90 Up Civic Reception.
- We supported 6 organisations through the Community Grants Program to run cultural projects and events and community gatherings in the Shire.
- We worked collaboratively with the community to project manage the redevelopment of the Marysville Information and Regional Arts Centre (MiRA).
- Taungurung Early Years Language Cards were launched in July 2017. Council initiated and supported a number of NAIDOC week events across Murrindindi Shire.
- We developed a connection with the Ethnic Communities Council of Victoria to better understand and reach culturally and linguistically diverse members of our community.
- We delivered five drop in sessions across Murrindindi Shire to support community groups and event organisers to use our online event calendar and community directory.

2. Work with our community and groups to connect, collaborate and plan for our future

- We established Community Working Groups across Murrindindi Shire to co-produce a draft community planning framework as part of the Towards 2030 – Planning our Future initiative.
- We worked with Valley Sport to assist 15 sporting clubs with their operations, capacity building and sustainability.
- Council supported a number of clubs with applications for Victorian Government funding for infrastructure projects.
- We updated our volunteer policy and procedures to support volunteers to undertake new roles in Aged and Disability Services.
- We engaged new community volunteers to support community friendly visiting program and transport to local medical appointments.
- We celebrated and acknowledged the role of volunteers through Library and Community Services events.
- We have attended a number of community meetings to support the planning of events commemorating the 10-year anniversary of the 2009 bushfires.

3. Work with our partner agencies to ensure people of all ages can access the health and community services they need

- We have advocated for the ongoing recovery needs of communities impacted by the 2009 bushfires in the lead up to the 10-year anniversary.
- We worked with community and health services across Murrindindi Shire to develop the Municipal Public Health and Wellbeing Plan 2017-2021.
- A number of parent support and education programs have been delivered including the PEEP program, Maternal and Child Health parent information sessions and the facilitated playgroup program.
- We have expanded Council’s Family Day Care program significantly during the year, offering more flexible child care options across Murrindindi Shire and in neighbouring Shires where our residents work.
- We advocated on the needs for mental health services by delivering a submission to the ‘Accessibility and Quality of Mental Health Services in Rural and Remote Australia’ Senate Standing Committee on Community Affairs.
- The Murrindindi Aged and Disability Service Providers Network, which includes Council, completed preparatory work as part of a significant funding application aimed at supporting the local aged care and disability workforce meet the challenges of the federal funding reforms for the sector.
- We commenced a review of our Aged and Disability services with community consultations planned in the next financial year.
- We completed the Walk to School Program successfully with 7 schools participating in events to promote physical activity and healthy eating.

4. Create a positive environment that supports our young people to grow, participate and be happy

- We continue to work with Ellimatta Youth Services and have designed and delivered the Steer Leadership Program in partnership with young people. The group planned and delivered four community events and 12 ‘Open Mic’ nights in the Kinglake Ranges.
- We helped to facilitate the establishment of the Yea Performing Arts Project in partnership with Yea High School and local theatre group ‘Yappers’, including a weekly drama group, a five-week program for Yea High School students and four events in Yea focusing on music and culture, engaging 420 young people.
- We delivered 5 youth development and training activities that have supported leadership development for 95 young people.
- Our Yea and Alexandra libraries hosted regular school visits, and the Kinglake library visited the schools, to showcase items and encourage a life time love of reading.



WHAT WE AIM TO ACHIEVE: (STRATEGIES)

5. Promote opportunities for people of all ages to connect with and be involved in their community

WHAT WE DID IN 2017/18:

- We auspiced the Age Friendly Communities project and worked with Community and Neighbourhood Houses to implement a number of age friendly activities across the Shire.
- As part of the above project, we held a transport forum in partnership with Community and Neighbourhood Houses to identify community transport options and seek feedback on key transport issues from the community.
- Through the Access and Inclusion Committee and in partnership with Nexus Primary Health, we supported local traders to undertake simple business audits and implement new practices to improve access for people with disabilities.
- We provided 'Tech Talk' sessions for seniors to enable better use of technology and connection with friends, family and community.

STRATEGIC INDICATORS - OUR PEOPLE

The strategic indicators measure our success in achieving our strategic objective and strategies under 'Our People'.

Increased community events supported by Council

Measure	Source	Result	Comment
Number of community events funded under Council's Community Grants Program	Community Grants Program	2016/17 - 3	The 5 events supported by Council's Community Grants Program this year were: <ul style="list-style-type: none"> • Fat Tyre Flyers Mountain Bike Club competition • Taungurung Clans Aboriginal Corporation - Launch of Y Water Discovery Centre Indigenous garden • Big Little Events - Cafe Culture Series (4 events) • Firefoxes - Murrindindi Women's Forum • Yea Bowling Club competition
		2017/18 - 5	

Community satisfaction with elderly support services

Measure	Source	Result	Comment
Index score (maximum = 100) based on resident perceptions of performance of elderly support services	2018 Local Government Community Satisfaction Survey	2016/17 - 57	There has been a slight improvement in community satisfaction with elderly support services.
		2017/18 - 61	

Community satisfaction with family support services

Measure	Source	Result	Comment
Index score (maximum = 100) based on resident perceptions of performance of family support services	2018 Local Government Community Satisfaction Survey	2016/17 - 59	Community satisfaction with family support services has remained stable.
		2017/18 - 59	

Increased active library members and participation in library and other Council programs

Measure	Source	Result	Comment
Number of active library members (have used library card in last 12 months) and number of attendees at library programs	Yarra Plenty Regional Library Service library management system reports Murrindindi Library Service internal records	2016/17 Members - 3,206 Program Attendees - 10,815	Reduction in membership was due in part to the loss of the Mobile Library van for an extended period following a vehicle accident.
		2017/18 Members - 2,920 Program Attendees - 7,929	

Increased participation by young people in Council activities and services

This is a baseline year for this measure.

Measure	Source	Result	Comment
Number of young people attending Council run events and forums	Internal records	2016/17 - No measure	<ul style="list-style-type: none"> 35 young people attended consultations, including FReeZA concert planning and community planning forums 75 young people attended school holiday programs 4,850 young people attended FReeZA related events across the Shire (including the Jayco Herald Sun Tour and Kinglake Country Fair)
		2017/18 - 4,960	

Council's involvement in collaborative networks, plans and projects

This is a baseline year for this measure.

Measure	Source	Result	Comment
Number of collaborative networks, plans and projects Council was involved in relating to the 'Our People' Strategic Objective	Council records under Community Services	2016/17 - No measures	Examples of collaboration included: <ul style="list-style-type: none"> Friends of the Library in Alexandra and Yea Municipal Public Health and Wellbeing Plan Age Friendly Communities Project Towards 2030 - Planning Our Future Kinglake Early Years Network Ellimatta Youth Incorporated Aged and Disability Service Providers Workforce Development Project
		2017/18 Networks - 20 Plans - 5 Projects - 5	

REPORT OF OPERATIONS - OUR PEOPLE

This report of operations provides the results of the prescribed performance indicators that relate to the strategies under 'Our People'. These indicators are also published on the Know Your Council website.

SERVICE PERFORMANCE INDICATORS SERVICE/INDICATOR/MEASURE	RESULTS 2017	RESULTS 2018	MATERIAL VARIATIONS
Aquatic Facilities			
Service Standard			
Health inspections of aquatic facilities [Number of authorised officer inspections of Council aquatic facilities / Number of Council aquatic facilities]	1.00	1.00	No material variations for 2017/18.
Health and Safety			
Reportable safety incidents at aquatic facilities [Number of WorkSafe reportable aquatic facility safety incidents]	0.00	0.00	No material variations for 2017/18.
Service Cost			
Cost of outdoor aquatic facilities [Direct cost of outdoor aquatic facilities less income received / Number of visits to outdoor aquatic facilities]	\$16.54	\$14.46	Increased utilisation of aquatic facilities in 2017/18 saw the average cost per attendee decrease by 12.5% last summer.
Utilisation			
Utilisation of aquatic facilities [Numbers of visits to aquatic facilities / Municipal population]	1.30	1.42	Utilisation of aquatic facilities grew strongly in 2017/18, primarily through increased season ticket holders and at the Alexandra Pool.
Libraries			
Utilisation			
Library collection usage [Number of library collection item loans / Number of library collection items]	2.18	2.16	No material variations for 2017/18.

SERVICE PERFORMANCE INDICATORS
SERVICE/INDICATOR/MEASURE

**RESULTS
2017**

**RESULTS
2018**

MATERIAL VARIATIONS

Resource Standard

Standard of library collection

52.11%

54.45%

No material variations for 2017/18.

[Number of library collection items purchased in the last 5 years / Number of library collection items] x 100

Service Cost

Cost of library service

\$5.21

\$5.50

No material variations for 2017/18.

[Direct cost of the library service / Number of visits]

Participation

Active library members

22%

20.61%

No material variations for 2017/18.

[Number of active library members / Municipal population] x 100

Maternal and Child Health (MCH)

Satisfaction

Participation in first MCH home visit

98.32%

95%

No material variations for 2017/18.

[Number of first MCH home visits / Number of birth notifications received] x 100

Service Standard

Infant enrolments in the MCH service

100.84%

94.53%

No material variations for 2017/18.

[Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications] x 100

Participation

Participation in the MCH service

98.36%

100%

No material variations for 2017/18.

[Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x 100

Participation

Participation in the MCH service by Aboriginal children

100%

100%

No material variations for 2017/18.

[Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x 100



OUR PLACE

STRATEGIC OBJECTIVE 2:

WE WILL MAINTAIN AND ENHANCE PLACES TO BE ATTRACTIVE AND LIVEABLE, IN BALANCE WITH THE NATURAL ENVIRONMENT.

WHAT WE AIM TO ACHIEVE: (STRATEGIES)

1. Support recreation opportunities for our residents and visitors that encourage participation and community connections

WHAT WE DID IN 2017/18:

- We completed an audit of Council's recreation assets to assist in the development of policy concerning Council's recreation planning and services.
- We supported the Thornton, Alexandra, Yea and Flowerdale recreation reserves to improve female friendly change room facilities, including project design and delivery.
- We placed funding applications for the resurfacing of the Alexandra Tennis Club courts and Yea Railway Reserve Play Space redevelopment.

**WHAT WE AIM TO ACHIEVE:
(STRATEGIES)**

WHAT WE DID IN 2017/18:

2. Improving links and making Murrindindi Shire easier to navigate and its services and destinations easy to find

- We completed 100 % of the missing links and path program under our capital works program.
- We completed 2.9 kms of path works, 23.8 kms of road reseals, 4.4 kms of road rehabilitation and 32.7 kms of gravel road re-sheeting during the year.
- We developed a Cycle Murrindindi map to encourage cycle tourism in the Shire.
- We engaged with stakeholders to identify priorities for signage across the Shire.

3. Through good land use planning enhance the liveability, prosperity and the rural character of our Shire

- We commenced a planning scheme amendment to give effect to Council's Gaming Policy.
- We determined 313 planning applications for the 2017/18 period. The average time for issuing a planning permit was 45 days. The total value of development for all permits issued was \$68M.
- We continued to support our community through the cessation of the temporary bushfire planning provisions and implementation of the extended bushfire management overlay.

4. Strengthen the environmental sustainability of our communities, protect our natural environment and reduce resource consumption

- We signed up to the Local Government Energy Savers Program to assist reduce corporate energy consumption and greenhouse gas emissions.
- We launched the Dindi Solar Bulk Buy initiative which provides an opportunity for our residents to explore solar options for their household energy consumption needs.
- We partnered with Landcare and other community groups on environment protection and land management projects such as the Healthy Hectares Program, Ribbons of Remnant Roadside, Queensland Fruit Fly and UT Creek Restoration Plan.
- We supported the Alexandra Community Composting Project led by UGLN and coordinated by the Alexandra Secondary College VCAL students, including the funding of a bicycle and trailer.
- We established new ways to capture community input and advice regarding Council's environmental sustainability directions and practices.
- We completed the fit out and establishment of the Reuse Shops (Scrap Shacks) at the Yea and Alexandra Resource and Recovery Centres
- We completed Council's annual road side weed management program.
- We partnered with Upper Goulburn Landcare Network to support popular environmental events of calendar year: Clean Up Australia, National Tree Day and Birds in the Backyard.
- We participated in a regional electric vehicle feasibility study and business case for the possible uptake of electric vehicles involving 11 regional councils.
- Over 9,000 native plants were planted across the Shire through revegetation programs supported by us.

5. Recognise and embrace the history, culture and identity of our towns and communities

- We facilitated the assessment and approval of planning permit applications for the use and development of a number of heritage places, including granting a planning permit to allow the refurbishment and reuse of the Yea Butter Factory.
- Aunty Lee Healy attended ELF Reading Day and Children's Week story time activities at our libraries to share local Taungurung Stories.



WHAT WE AIM TO ACHIEVE: (STRATEGIES)

6. Enhance community safety, resilience and liveability through improved planning, community engagement, and a fair and transparent approach to compliance

WHAT WE DID IN 2017/18:

- We completed the annual Fire Prevention Program, and coordinated its delivery with adjoining councils in the Kinglake Ranges.
- We commenced a trial of a collaborative arrangement with the CFA and the Department of Justice to reduce fuel loads along Council's roadsides.
- Our emergency management plan was endorsed under the 3 year audit process conducted by Vic SES.
- We adopted our Domestic Animal Management Plan, which sets out our approach for community and animal safety.
- We supported the staging of a community fire awareness session as part of the Victorian Government's Safer Together Trial in Eildon.

STRATEGIC INDICATORS - OUR PLACE

The strategic indicators measure our success in achieving our strategic objective and strategies under 'Our Place'.

Reduce Council's resource use

Measure	Source	Result	Comment
Percentage change in Council's annual electricity consumption compared with previous year	Council's greenhouse gas emissions reporting system	2016/17 - 960282 (kWh)	Council's electricity consumption has increased by 1% this year. Since 2013/14 when measures were established electricity consumption has reduced by 17.6%.
		2017/18 - 973090 (kWh) - 1% increase	

Measure	Source	Result	Comment
Percentage change in Council's annual potable water consumption compared with previous year	Council's greenhouse gas emissions reporting system	2016/17 - 39075 (kL)	Council's potable water consumption has decreased by 18% this year. Since 2013/14 when measures were established water consumption has reduced by 34%.
		2017/18 - 31926 (kL) - 18% decrease	

Measure	Source	Result	Comment
Percentage change in Council's annual paper consumption compared with previous year	Council's greenhouse gas emissions reporting system	2016/17 - 428,465 printed sheets	Council's paper consumption has increased by 5% this year. Since 2013/14 when measures were established paper consumption has reduced by 31%.
		2017/18 - 449,331 printed sheets - 5% increase	

Reduce Waste Going to Landfill

Proportion of waste diverted from landfill	Waste and recyclable tonnage measured via Council's landfill weighbridge and Council's recyclable reprocessing contractor's weighbridge	2016/17 - 36%	Proportion of waste diverted from Council's landfill remained consistent with previous year's levels.
		2017/18 - 35%	

Community satisfaction with the appearance of public places

Measure	Source	Result	Comment
Index score (maximum = 100) based on resident perceptions of performance on appearance of public places	2018 Local Government Community Satisfaction Survey	2016/17 - 63	There was a slight improvement in community satisfaction with the appearance of public places.
		2017/18 - 66	

Strengthened community engagement in safety planning and preparation

Measure	Source	Result	Comment
Number of meetings and workshops held and publications issued relating to safety planning and preparation	Council's records	2016/17 - 10	<ul style="list-style-type: none"> Significant community consultation was undertaken this year during the review of the Domestic Animal Management Plan, involving community meetings and consultation with key stakeholders.
		2017/18 - 32	

Community satisfaction with Council's land use planning policy

Community satisfaction with Council's land use planning policy			
Weighted average ratings of 'professionalism' and 'responsiveness' of planning staff by planning permit applicants	Customer Satisfaction Survey of planning applicants conducted annually by Council (note small sample sizes)	2016/17 - 94%	Community satisfaction with Council land use planning policy remained consistent with the previous year.
		2017/18 - 93%	

Retain or improve the proportion of our roads and open spaces in good condition

Measure	Source	Result	Comment
Index score (maximum = 100) based on resident perceptions of performance on condition of sealed roads	2018 Local Government Community Satisfaction Survey	2016/17 - 46	There was a slight reduction in community satisfaction with the condition of sealed roads.
		2017/18 - 42	

Measure	Source	Result	Comment
Proportion of roads and transport capital works program delivered in the 2017/18 financial year	Council's capital works program	2016/17 - 96%	Whilst several capital projects will be carried forward into the next financial year, a significant number of projects were completed including: <ul style="list-style-type: none"> Replacing two bridges at Kerrisdale Construction of truck parking area at the Yea Saleyards Refurbishment of the Marysville Information and Regional Arts Centre (MiRA).
		2017/18 - 89%	

REPORT OF OPERATIONS - OUR PLACE

This report of operations provides the results of the prescribed performance indicators that relate to the strategies under 'Our Place'. These indicators are also published on the Know Your Council website.

SERVICE PERFORMANCE INDICATORS SERVICE/INDICATOR/MEASURE	RESULTS 2017	RESULTS 2018	MATERIAL VARIATIONS
Animal Management			
Service Standard			
Animals reclaimed [Number of animals reclaimed / Number of animals collected] x 100	71.01%	60%	More cats were collected this year and they typically have a lower reclaim rate than dogs.
Service Cost			
Cost of animal management service [Direct cost of the animal management service / Number of registered animals]	\$33.89	\$39.52	No material variations for 2017/18.
Health and Safety			
Animal management prosecutions [Number of successful animal management prosecutions]	0.00	0.00	No material variations for 2017/18.
Food Safety			
Service Standard			
Food safety assessments [Number of registered class 1 food premises and class 2 food premises that receive an annual food safety assessment in accordance with the Food Act 1984 / Number of registered class 1 food premises and class 2 food premises that require an annual food safety assessment in accordance with the Food Act 1984] x 100	88.89%	88.24%	No material variations for 2017/18.
Service Cost			
Cost of food safety service [Direct cost of the food safety service / Number of food premises registered or notified in accordance with the Food Act 1984]	\$591.15	\$553.05	No material variations for 2017/18.

SERVICE PERFORMANCE INDICATORS SERVICE/INDICATOR/MEASURE	RESULTS 2017	RESULTS 2018	MATERIAL VARIATIONS
<p>Health and Safety</p> <p>Critical and major non-compliance outcome notifications</p> <p>[Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x 100</p>	93.75%	100%	No material variations for 2017/18.
Roads			
<p>Satisfaction of Use</p> <p>Sealed local road requests</p> <p>[Number of sealed local road requests / Kilometres of sealed local roads] x 100</p>	4.60	14.35	Requests in 2017 were significantly lower than previous years and 2018.
<p>Condition</p> <p>Sealed local roads below the intervention level</p> <p>[Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads] x 100</p>	89.96%	90.64%	No material variations for 2017/18.
<p>Service Cost</p> <p>Cost of sealed local road reconstruction [Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]</p>	\$53.68	\$52.37	No material variations for 2017/18.
<p>Service Cost</p> <p>Cost of sealed local road resealing</p> <p>[Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]</p>	\$7.82	\$7.89	No material variations for 2017/18.
<p>Satisfaction</p> <p>Satisfaction with sealed local roads</p> <p>[Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]</p>	46.00	42.00	No material variations for 2017/18.

SERVICE PERFORMANCE INDICATORS SERVICE/INDICATOR/MEASURE	RESULTS 2017	RESULTS 2018	MATERIAL VARIATIONS
Statutory Planning			
Timeliness			
<p>Time taken to decide planning applications</p> <p>[The median number of days between receipt of a planning application and a decision on the application]</p>	49.00	57.00	Although increasing by 8 days, Council's result of 57 days on average per planning application is inside the statutory benchmark of 60 days.
Service Standard			
<p>Planning applications decided within required timelines</p> <p>[Number of planning application decisions made within 60 days / Number of planning application decisions made] x 100</p>	87.07%	68.37%	Council saw a considerable increase in planning applications in 2017/18, particularly due to the end of the temporary planning provisions that were in place since the 2009 bushfires. This increased workload has resulted in average turnaround times increasing in the last financial year.
Service Cost			
<p>Cost of statutory planning service</p> <p>[Direct cost of the statutory planning service / Number of planning applications received]</p>	\$1,916.14	\$1551.67	Some reduction in cost per application received.
Decision Making			
<p>Council planning decisions upheld at VCAT</p> <p>[Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x 100</p>	66.67%	66.67%	No material variations for 2017/18.
Waste Collection			
Satisfaction			
<p>Kerbside bin collection requests</p> <p>[Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households] x 1000</p>	9.02	18.91	The service area for collection was expanded significantly in 2017/18.



SERVICE PERFORMANCE INDICATORS SERVICE/INDICATOR/MEASURE	RESULTS 2017	RESULTS 2018	MATERIAL VARIATIONS
<p>Service Standard</p> <p>Kerbside bin collection requests</p> <p>[Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts] x 10,000</p>	1.64	1.12	Some improvement in service standard.
<p>Service Cost</p> <p>Cost of kerbside garbage bin collection service</p> <p>[Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]</p>	\$64.91	\$68.36	No material variations for 2017/18.
<p>Service Cost</p> <p>Cost of kerbside recyclables collection service</p> <p>[Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins]</p>	\$56.09	\$59.40	No material variations for 2017/18.
<p>Waste Diversion</p> <p>Kerbside collection waste diverted from landfill</p>	36.30%	34.92%	No material variations for 2017/18.



OUR PROSPERITY

STRATEGIC OBJECTIVE 3:

IN PARTNERSHIP WITH THE COMMUNITY WE WILL PROMOTE AN ENVIRONMENT IN WHICH BUSINESS AND COMMUNITY CAN THRIVE.

WHAT WE AIM TO ACHIEVE: (STRATEGIES)

1. Use a fresh approach to attract new and existing business investment

WHAT WE DID IN 2017/18:

- We developed the Murrindindi Tourism and Business Innovation Grants Program and completed first round funding allocations to local businesses totalling \$264,731.
- We worked with Regional Development Victoria, Goulburn Murray Water, Goulburn River Valley Tourism and Mansfield Shire Council to support investment in the Eildon township, with a particular focus on tourism and recreation.
- The value of building works permitted within the Shire was \$21.8 million.
- We responded to 62 potential developer / investor enquiries and carried out 21 onsite visits with potential developers through our Development Assessment Team.

**WHAT WE AIM TO ACHIEVE:
(STRATEGIES)**

WHAT WE DID IN 2017/18:

2. Work with our businesses, regional partners and communities to support a diverse visitor experience that promotes our natural assets, and a vibrant range of events

- We launched our 'Discover Dindi' Instagram and Facebook pages to enhance tourism promotion of the Murrindindi Shire – with 6,200 followers on Facebook and 710 followers on Instagram.
- We reviewed and agreed our regional tourism partnership arrangements, approving renewal of the MoU with Goulburn River Valley Tourism for one year.
- We supported a range of tourism events including two stages of the Jayco Herald Sun Tour, Marysville Jazz & Blues Festival, Eildon Big Fish Challenge, Alexandra Pro Rodeo and Alexandra Truck, Ute and Rod Show.
- We published and distributed the October 2017 to April 2018 Calendar of Events.

3. Support and encourage local businesses to work together, thrive and grow, through networking, start-up assistance, mentoring, and access to skills

- We supported the delivery of the Murrindindi Business Awards Gala Event, showcasing local business achievements, including promotional videos recognising award winners.
- We continued working in collaboration with Murrindindi Inc. to deliver business networking opportunities and workshops across the Shire.
- We supported Small Business Bus visits and Skymuster Roadshows to numerous sites across the Shire.
- We delivered four workshops to assist community groups and businesses to list their attractions and events on the Australian Tourism Data Warehouse and our website Community Directory.
- We created local business mentoring and start-up assistance opportunities through the Tourism and Business Innovation Grants Program.
- Under the Doing Business Better Program we progressed the Shire's online marketing through Discover Dindi, and refreshed our iconic image library for use by Council and local businesses.
- We supported GRVT's TV marketing campaign showcasing the tourism opportunities in the Shire and broader region.
- We launched the Murrindindi business monthly newsletter communicating relevant business information to local businesses.

4. Advocate for and support high quality opportunities for education and training to meet community and business needs

- We continued to advocate for strengthening the links between education and the skills needed by business through our partnership with Central Ranges Local Learning and Employment Network.



WHAT WE AIM TO ACHIEVE: (STRATEGIES)

5. Advocate for improved infrastructure and access to public land to realise social and economic opportunities

WHAT WE DID IN 2017/18:

- We successfully advocated to Vicroads to achieve safety upgrades to arterial roads within the Shire.
- We continued to provide advice/direction to contractors in relation to the rollout of the NBN in Yea and Alexandra with a view to achieving minimal disruption to local business.
- We continued to advocate for, and support mobile phone blackspots in the Shire with mobile phone towers becoming operational in Killingworth and Flowerdale.
- We also provided details on priority blackspot locations (including Yea Saleyards) to the Indi Telecommunications Action Group (ITAG) as part of a multi-shire advocacy process to the State government.
- We continued to advocate to relevant ministers regarding access to Public Land, particularly for tourism and recreation purposes.
- We continued working with investors, Goulburn Murray Water and Regional Development Victoria to progress development opportunities in Eildon.
- We advocated for improved marketing and opportunities for public/private investment in visitor facilities and services at the Eildon National Park.

STRATEGIC INDICATORS - OUR PROSPERITY

The strategic indicators measure our success in achieving our strategic objective and strategies under 'Our Prosperity'.

Increasing reach and impact of our business support activities

Measure	Source	Result	Comment
Number of businesses registered on Council's Murrindindi Business Monthly e-newsletter.	Council's internal records	2016/17 - 195	The number of local businesses receiving Council's monthly business e-newsletter increased during 2017/18.
		2017/18 - 213	

Measure	Source	Result	Comment
Number of local business events supported by Council	Council's internal records	2016/17 - 26	Key events delivered in conjunction with Murrindindi Inc. included: <ul style="list-style-type: none"> • Murrindindi Business Awards 2017 • Advanced marketing business workshop • Agri-business networking event • Trades business networking event
		2017/18 - 29	

Increased business investment

Measure	Source	Result	Comment
Value of commercial building works for building permits issued	Council's building permit register	2016/17 - \$13.7 million	The value of commercial development during the year fell compared with the previous year due to fewer large scale development proposals being received by Council.
		2017/18 - \$4.8 million	

STRATEGIC INDICATORS - OUR PROSPERITY

Growth in new dwelling approvals

Measure	Source	Result	Comment
Number of new dwelling building approvals	Council's building permit register	2016/17 - 115	New dwelling approvals was consistent with the previous year.
		2017/18 - 108	

Measure	Source	Result	Comment
Value of new dwelling works approved	Council's building permit register	2016/17 - \$31.6 million	The value of investment in new dwellings approved remained stable with the previous year.
		2017/18 - \$31.3 million	

Increased visitation to the Shire

Measure	Source	Result	Comment
Estimated domestic overnight visitors to the Shire	Australian National Visitors Survey	2016/17 - 214,000	Overnight visitation to the Shire increased significantly based on the National Visitors Survey estimates.
		2017/18 - 322,000	



STRATEGIC INDICATORS - OUR PROSPERITY

Implementation of our strategic land use plans

Measure	Source	Result	Comment
Number of completed and approved local planning scheme amendments	Murrindindi Planning Scheme	2016/17 - 2	The two Planning Scheme amendments included: <ul style="list-style-type: none"> • Rezoning of land in Kinglake West to enable commercial development • Rezoning of various parcels of Hancock Plantation Victoria land to Farming for purpose of timber plantations.
		2017/18 - 2	

REPORT OF OPERATIONS - OUR PROSPERITY

There are no prescribed performance indicators or measures that specifically relate to the strategies under 'Our Prosperity'.



OUR PROMISE

STRATEGIC OBJECTIVE 4:

WE WILL ALL WORK IN COLLABORATION WITH OUR COMMUNITIES TO DELIVER THE BEST POSSIBLE OUTCOMES IN ALL THAT WE DO.

WHAT WE AIM TO ACHIEVE: (STRATEGIES)

1. Represent and advocate for our community in a transparent and equitable way

WHAT WE DID IN 2017/18:

We advocated to relevant Federal and State ministers, local MPs and agencies to promote priority issues and opportunities for the Murrindindi Shire including:

- Arterial road upgrade and safety priorities.
- Coordinated tourism, houseboat and recreation investment opportunities in Eildon.
- Management of public land and timber harvesting for the benefit of the Murrindindi Shire community.
- Implications of planning changes associated with regulating sustainable animal industries.
- Promoting tourism opportunities in Murrindindi Shire.
- Solutions to water and sewerage issues at Rubicon Village.
- Improved telecommunications services within the Shire.
- Continued support for schools across Murrindindi Shire and enhanced career pathways between school and industry.
- Implications of the Local Government Act review.
- Preparation for 10-year anniversary of 2009 Bushfires.
- Difficulties in access by the community to mental health services in the Shire.
- Advocacy across a range of issues by the Mayor and CEO directly with State and Federal parliaments.

**WHAT WE AIM TO ACHIEVE:
(STRATEGIES)**

WHAT WE DID IN 2017/18:

2. Ensure our culture, systems and technologies encourage and enable innovation in our business practices and service delivery

- We completed a major upgrade of our corporate information management and operating systems.
- We introduced direct debit options for rate payments.
- We commenced the transition of Council offices and IT systems to the NBN to improve service delivery via technology.
- We improved data integration across IT systems to improve customer interactions with Council and service delivery.

3. Ensure the range of services we provide and the way we provide them are best aligned with community priorities and Council's resources

- We were successful in obtaining a Living Libraries Grant to modernise and expand the mobile library and customer service offering.
- We commenced exploring ways to better align the services provided from our recreation assets with community needs.
- We upgraded our community bus services.
- Investigated potential to establish partnerships with other Councils to share services and resources.
- We commenced a review of the delivery of our Immunisation program to address increased requirements for preschool flu vaccinations.
- We commenced a review of our Depot operations and locations with the aim of creating a more efficient and responsive infrastructure maintenance service.
- We commenced planning for the enhancement of our Local Law enforcement / community safety services.
- We commenced a review of Council's role in the delivery of aged and disability services in response to forthcoming changes in State and Federal government funding arrangements.

4. Commit to developing a stronger customer-focused culture that makes us easier to deal with

- Our staff participated in a series of workshops and meetings to create a new Customer Service Charter.
- We launched the Customer First project to improve Council's customer service delivery, focusing on improving the management of all requests from customers.
- We improved the visibility of Council services delivered in the community through the re-branding of Council vehicles and services.

5. Expand our communication and two-way engagement with the community

- We developed a New Residents Kit to welcome new property owners to the Shire and inform them of the range of services available within our community.
- We expanded Council's social media presence and reach through Facebook pages, Instagram (Discover Dindi) and LinkedIn, including use of video.
- We launched a facilities-for-hire function on Council's website.
- We worked with community groups across the Shire to expand the community directory and events listing on Council's website.
- We commenced a business newsletter to communicate relevant information for local businesses in the Shire.

6. Maintain Council's financial sustainability through sound financial and asset management

- We adopted a budget for 2018/19 that incorporated a rate rise below the rate cap, no new debt and delivered a balanced budget.
- We commenced a review of the purpose and use of our financial reserves to maximise Council's longer term financial sustainability.
- We continued to implement Council's new asset management system to improve our ability to plan and manage our assets.
- We invested in new plant creating efficiencies to streamline our road maintenance and line marking services.



**WHAT WE AIM TO ACHIEVE:
(STRATEGIES)**

7. Support a skilled, engaged and flexible workforce that can respond to changing needs

WHAT WE DID IN 2017/18:

- We completed negotiations for the new three-year Enterprise Agreement for certification at the Fair Work Commission.
- We promoted and supported our staff in focusing on the Customer First priority in alignment with the Council Plan.
- We participated in a pilot workforce planning project with the Local Government Professionals Association.
- We commenced a 3-year program to improve Council's Occupational Health & Safety as a part of the MAV Workcare Scheme.

STRATEGIC INDICATORS - OUR PROMISE

The strategic indicators measure our success in achieving our strategic objective and strategies under 'Our Promise'.

Community satisfaction with our consultation and engagement

Measure	Source	Result	Comment
Index score (maximum = 100) based on resident perceptions of performance on consultation and engagement	2018 Local Government Community Satisfaction Survey	2016/17 - 42	Community satisfaction with Council's performance on consultation and engagement has improved slightly.
		2017/18 - 46	

Community satisfaction with our lobbying on behalf of the community

Measure	Source	Result	Comment
Index score (maximum = 100) based on resident perceptions of lobbying on behalf of the community	2018 Local Government Community Satisfaction Survey	2016/17 - 42	Positive trend in community satisfaction with Council's advocacy efforts.
		2017/18 - 44	

Community satisfaction with our customer service

Measure	Source	Result	Comment
Index score (maximum = 100) based on resident perceptions of performance of customer service	2018 Local Government Community Satisfaction Survey	2016/17 - 65	Community satisfaction with Council's customer service maintained a positive trend.
		2017/18 - 67	

Positive trends in the Victorian Auditor General's ratings of council's financial sustainability

Measure	Source	Result	Comment
Ratios for working capital, unrestricted cash and indebtedness performance declared in Council's audited performance statement	2017/2018 Performance Statement	2016/17 Working Capital - 537.6% Unrestricted Cash - 53.5% Indebtedness - 29.5%	Council's financial position remains sound moving forward.
		2017/18 Working Capital - 471.1% Unrestricted Cash - 73.1% Indebtedness - 27.7%	

Increased workforce engagement

Measure	Source	Result	Comment
Weighted performance score (maximum = 100) based on employee satisfaction across a range of organisational performance factors	2017 Staff Satisfaction Survey	2016/17 - 65	Staff satisfaction with working for Council improved in the recent survey.
		2017/18 - 69	

Innovation opportunities identified and implemented

Measure	Source	Result	Comment
Number of innovative business initiatives implemented	Internal records	2016/17 - No measure	The 5 innovative business initiatives implemented this year included: <ul style="list-style-type: none"> • The establishment of a Business and Tourism Innovation Grants Program. • The ability of residents to access Council's Customer Services on the mobile library van. • Partnering with a large Corporate organisation to fund the development of a community planning project across the Shire • Use of a social media platform to enable the community to contribute promotional images of the Shire, as part of council's tourism promotion • Replacement of two large road maintenance vehicles with a more efficient single operator road patching vehicle.
		2017/18 - 5	

This report of operations provides the results of the prescribed performance indicators that relate to the strategies under 'Our Promise'. These indicators are also published on the Know Your Council website.

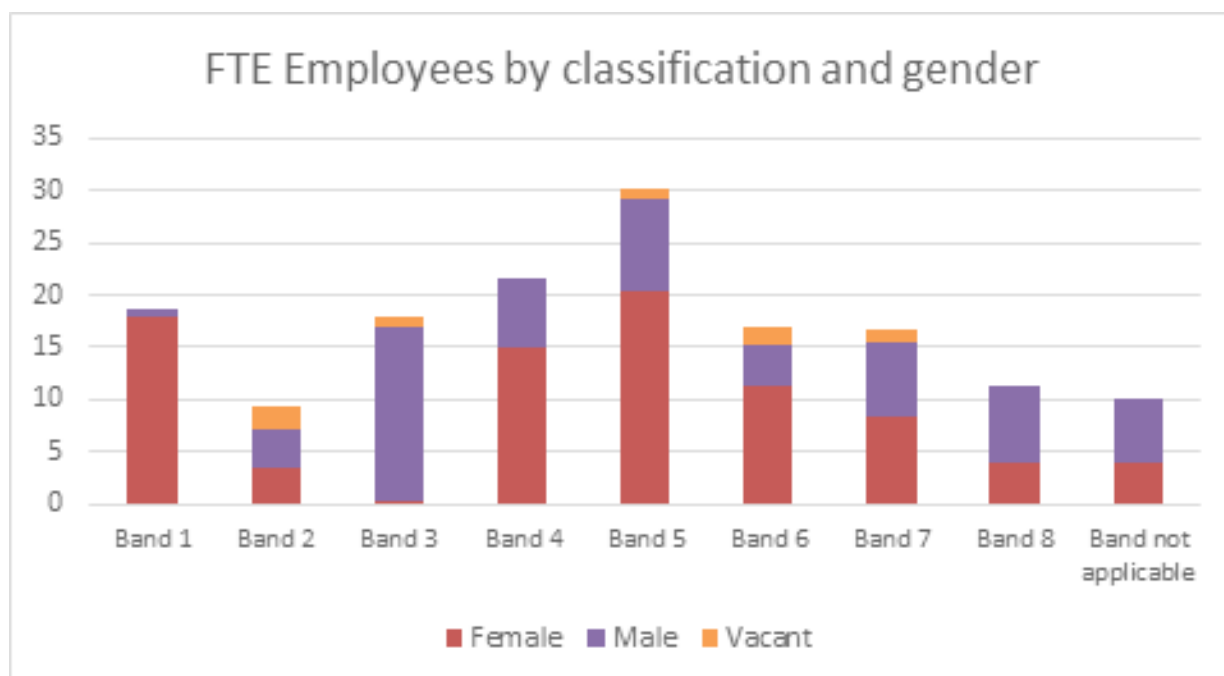
SERVICE PERFORMANCE INDICATORS SERVICE/INDICATOR/MEASURE	RESULTS 2017	RESULTS 2018	MATERIAL VARIATIONS
Governance			
Transparency			
<p>Council decisions made at meetings closed to the public</p> <p>[Number of Council resolutions made at ordinary or special meetings of Council, or at meetings of a special committee consisting only of Councillors, closed to the public / Number of Council resolutions made at ordinary or special meetings of Council or at meetings of a special committee consisting only of Councillors] x 100</p>	7.43%	6.19%	No material variations for 2017/18.
Consultation and engagement			
<p>Satisfaction with community consultation and engagement</p> <p>Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement</p>	42.00	46.00	A 10% increase in community satisfaction index for community consultation and engagement in the last 12 months is noted for 2017/18.
Attendance			
<p>Councillor attendance at council meetings</p> <p>[The sum of the number of Councillors who attended each ordinary and special Council meeting / (Number of ordinary and special Council meetings) x (Number of Councillors elected at the last Council general election)] x 100</p>	89.68%	94.29%	No material variations for 2017/18.
Service Cost			
<p>Cost of governance</p> <p>[Direct cost of the governance service / Number of Councillors elected at the last Council general election]</p>	\$36,959.14	\$39,205.29	No material variations for 2017/18.
Satisfaction			
<p>Satisfaction with Council decisions</p> <p>[Community satisfaction rating out of 100 with how Council has performed in making decisions in the interest of the community]</p>	41.00	45.00	A 10% increase in community satisfaction for Council decisions is noted for 2017/18.

CORPORATE DEVELOPMENT OUR ORGANISATION

Workplace Development

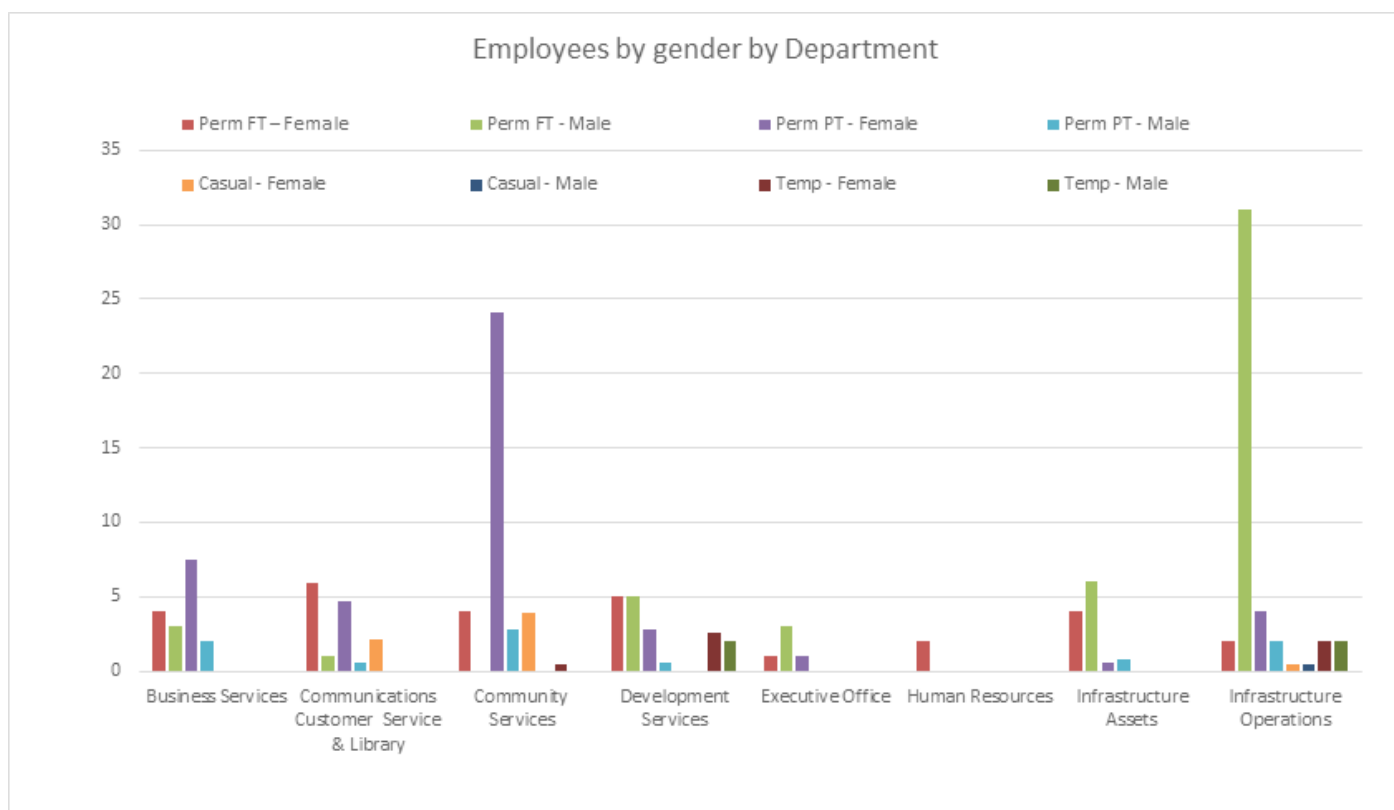
Summaries of the number of Full Time Equivalent (FTE) staff categorised by employment classification and gender are set out below (including temporary positions):

Employment Classification	Female FTE	Male FTE	Vacant FTE	Total FTE
Band 1	17.9	0.7		18.5
Band 2	3.5	3.7	2.2	9.4
Band 3	0.2	16.7	1	17.9
Band 4	14.9	6.8		21.7
Band 5	20.5	8.6	1	30.1
Band 6	11.3	4	1.6	16.9
Band 7	8.4	7.1	1.3	16.8
Band 8	3.9	7.5		11.4
Band not applicable	4	6		10
Grand Total	84.6	61.1	7.1	152.7



A summary of the number of Full Time Equivalent (FTE) staff categorized by organisational structure, employment type and gender is set out below:

Employment Type/Gender	Business Services FTE	Communications, Customer Service & Library FTE	Community Services FTE	Development Services FTE	Executive Office FTE	Human Resources FTE	Infrastructure Assets FTE	Infrastructure Operations FTE	Total FTE
Perm FT - Female	4.0	5.9	4.0	5.0	1.0	2.0	4.0	2.0	27.9
Perm FT - Male	3.0	1.0		5.0	3.0		6.0	31.0	49.0
Perm FT - Vacant	1.0						1.0		2.0
Perm PT - Female	7.5	4.7	24.1	2.8	1.0		0.6	4.0	44.7
Perm PT - Male	2.0	0.6	2.8	0.6			0.8	2.0	8.8
Perm PT - Vacant	0.3								0.3
Casual - Female		2.1	3.9					0.5	6.5
Casual - Male								0.5	0.5
Temp - Female			0.5	2.6				2.0	5.1
Temp - Male				2.0				2.0	4.0
Temp - Vacant			3.2				1.0		4.2
Total	17.8	14.4	38.5	18.0	5.0	2.0	13.4	44.0	152.7



Health and safety of our people

Council's employees demonstrate high levels of engagement and commitment to doing the best for our communities. We are proud of our staff and wish to support them to do their best to deliver our services.

Health and Wellbeing

Council monitors and promotes good health and well-being as one of the foundations of a productive workplace. Council continues to provide an integrated Health and Wellbeing program. Employees are provided with a range of regular information, training and other programs to support and encourage them to take responsibility for good health and well-being from an organisational and personal perspective. Some actions this year included seminars on occupational health and mental health, a promotion for healthy eating and exercise and a regular bulletin with nutritional recipes and other health information delivered in the staff newsletter. Training included driver safety awareness and emergency evacuation, First Aid and CPR updates. Other activities included the influenza and Hepatitis B immunisation programs and an offer of skin health checks for staff.

Council implemented a new Employee Assistance Program to support employee wellbeing, including their mental health.

Council remains a participant in the Local Government Employees Health Plan Scheme which enables Council employees to join a private health fund at competitive rates.

Occupational Health and Safety

Council is committed to providing a safe and healthy work environment and ensuring the health, safety and wellbeing of all employees.

Council has an Occupational Health and Safety Committee made up of four designated workgroup representatives and four management representatives. The Committee aims to ensure that all identified hazards and risks are acknowledged, communicated and resolved promptly. All Managers and supervisors received refresher training in their OHS responsibilities.

Council commenced its participation in a Workcare self-insurance scheme through the Municipal Association of Victoria (MAV). As one of a number of Councils in the scheme the OHS Committee is leading a review and adoption of policies and procedures in line with national OHS standards.

Staff Satisfaction Survey

Council ran the employee satisfaction survey in October 2017, with a very high level of participation. Employee engagement and satisfaction was improved on all indicators. The survey is benchmarked with other local government agencies and Council is in the top quartile for employee satisfaction for the first time since commencing the survey in 2010.

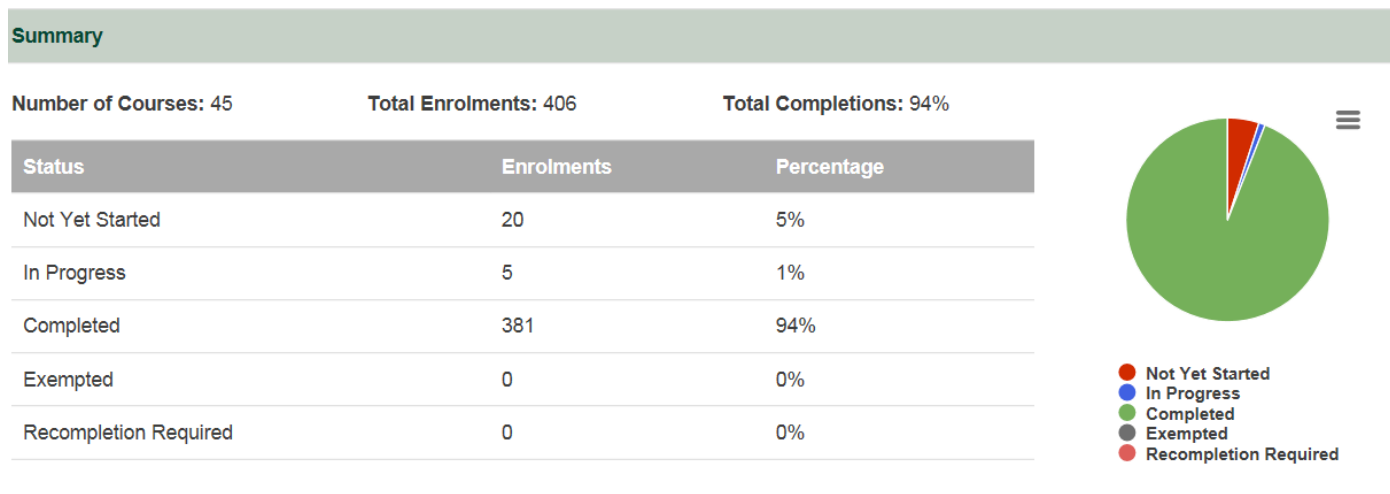
Training and Development

Council continues to focus on providing a comprehensive training and development program to ensure that employees are provided with skills and knowledge to deliver their responsibilities, meet compliance requirements and to support their career development.

In 2017-18 we again achieved strong participation across a diverse training program to meet our training needs assessment. Over the year employees participated in 139 different programs representing 611 staff training days. The delivery of onsite training included:

- Leadership training and development programs
- Letter writing/business writing
- Safe dog handling
- Handling abusive phone calls
- Council report writing
- Fire extinguisher training
- Social media training
- Customer service training
- Driver safety
- Chain of responsibility training
- First Aid/CPR
- Community engagement
- Induction to Local Government

In addition, there were 406 enrolments in 45 online learning courses with a 94% completion rate.



Course(s)

Awards/Recognitions

Activities to recognise employee excellence and effort included:

- Introduction of a new recognition award for employees nominated by the Senior Management Team (SMT)
- Delivery of peer nominated annual awards by the Mayor and Chief Executive Officer to recognise services delivered in line with organisational values.



Equal Employment Opportunity (EEO)

Murrindindi Shire Council is committed to the principles of equal opportunity and anti-discrimination in employment and in the delivery of its services to the community.

Council believes that its employees are entitled to be treated on the basis of their abilities and merit, and to work in an environment which is free of discrimination and harassment.

Council appointed new Contact Officers to replace retired employees; with all receiving Contact Officer training. All new employees are inducted in EEO and related policies both online and in person with the Coordinator Human Resources.

Staff Code of Conduct

The Murrindindi Shire Council Staff Code of Conduct was updated in 2016-17 and continues to guide conduct and behaviours enabling a shared understanding of how to work together to create an enjoyable, satisfying and productive workplace.

For the community our Code of Conduct establishes our commitment to carry out our duties and deliver our services responsibly, impartially, professionally and with the highest level of integrity.

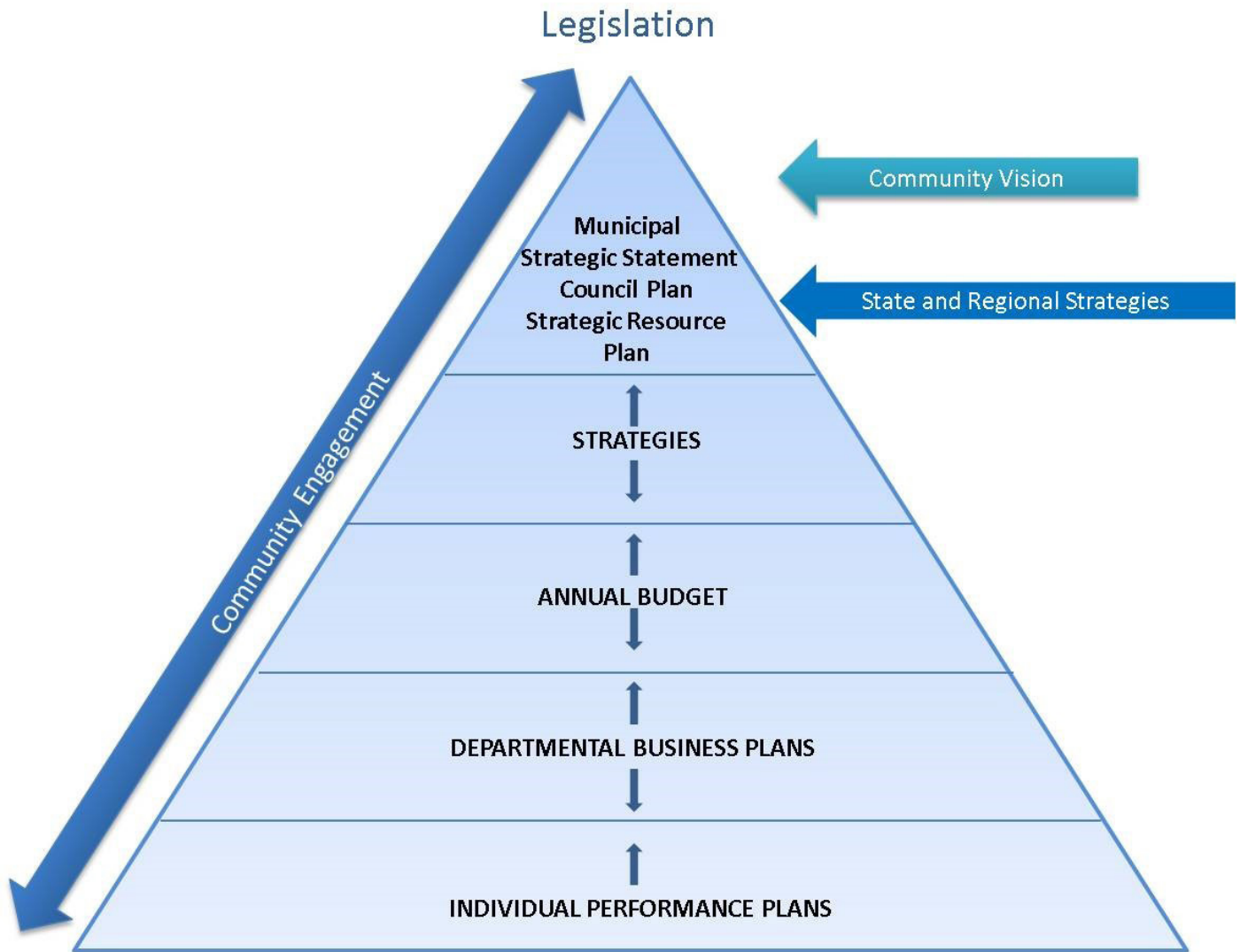
Amendments included guidance on social media, conflicts of interest, gifts and hospitality, public comment, political neutrality and meeting requirements for a child safe organisation.

All new employees were made aware of their obligations under the Code of Conduct as part of their induction.

CORPORATE DEVELOPMENT OUR COUNCIL

Integrated Planning Framework

Murrindindi Shire Council has developed a corporate planning framework which identifies the relationship between the Council Plan, its various strategies and the individual departmental business plans and staff performance plans.



The planning framework provides for the Council Plan Strategic Objectives to be linked to the implementation of adopted strategies that are funded and resourced through the Annual Budget.

The Council then measures and monitors its performance and reports both internally and to its community as required. Council receives formal reports on a quarterly basis detailing progress against the Council Plan, the Annual Budget, the Capital Works Program and the Development Services Program.

The Role of Local Government

Local Government is governed by councillors who live within the municipality to which they are elected and are democratically elected by their local communities. As such it is the 'grass roots' level of government. Section 3D of the *Local Government Act 1989* states that the role of a council includes:

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

Councillor Code of Conduct

All Councils in Victoria are required by the *Local Government Act 1989* (s76C) to develop and regularly review a Councillor Code of Conduct, including reviewing the Code of Conduct within a period of 4 months of a general election.

Within one month of amendments to a Councillor Code of Conduct being approved all Councillors must declare in writing, witnessed by the Chief Executive Officer that they will abide by the Councillor Code of Conduct.

The Councillor Code of Conduct was reviewed and adopted by Murrindindi Shire Councillors on 22 February 2017. A declaration to abide by the Councillor Code of Conduct was subsequently signed by each Councillor and witnessed by Council's Chief Executive Officer.

The Councillor Code of Conduct sets out the standards of behaviour and disclosure expected of Councillors, and identifies a process for resolving complaints.

This Councillor Code of Conduct is a declaration of how the Councillors will behave and interact with each other, the community and in undertaking their decision making responsibilities. It details the standards of ethical conduct required of Councillors, it outlines the legislated requirements to be adhered to and the dispute resolution procedure for dealing with conflict and breaches of the Code of Conduct.

Councillor Support and Remuneration

Section 74 of the *Local Government Act 1989* provides for the Governor in Council to set allowances for mayors and councillors. Councils are categorised according to their size and revenue base and an allowance range payable to councillors is set for each category. Murrindindi Shire Council is a level one Council.

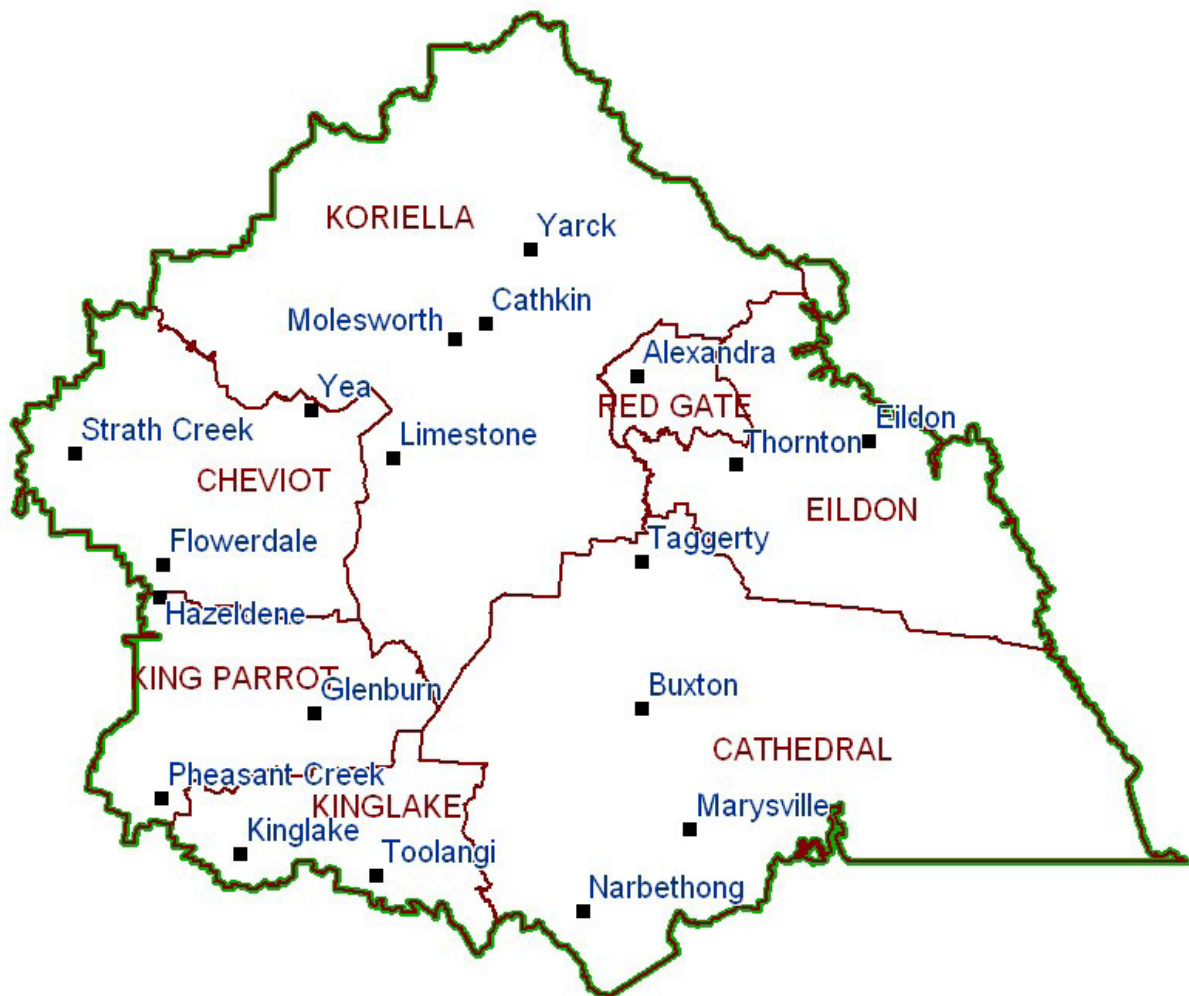
The current councillor remuneration and allowances are as per the limits that are determined by the Minister for Local Government each year. The 2017/18 allowance paid to the Mayor of Murrindindi Shire Council was \$60,442 with the provision of a corporate standard vehicle, and an amount equivalent to 9.5% superannuation. The allowance paid to Murrindindi Shire Councillors was \$20,231 plus an amount equivalent to 9.5% superannuation for the 2017/18 financial year.

All Councillors were provided with a laptop computer and mobile phone to assist them in fulfilling their duties. Councillors also had access to a remote area travel allowance of \$40 per day in certain circumstances, up to a maximum of \$5,000 per annum.

For further detail regarding allowances and expense entitlements please refer to the Councillor Reimbursement Policy adopted on 28 June 2017.

Council Electoral Structure

The Shire of Murrindindi is divided into seven single councillor wards. Ward boundaries are aligned to ensure an even spread of voters in each ward.



Council Elections

A general election was held on 28 October 2016 and seven Councillors were elected for a four-year term. The Councillors were sworn in at a Special Meeting of Council held on 9 November 2016.

The Shire's Councillors are: Cr Sandice McAulay (Cathedral Ward), Cr Rebecca Bowles (Cheviot Ward), Cr Jackie Ashe (Eildon Ward), Cr Eric Lording (King Parrot Ward), Cr Leigh Dunscombe (Kinglake Ward), Cr Charlotte Bisset (Koriella Ward) and Cr Margaret Rae (Redgate Ward).

Each year the seven Councillors elect the Mayor and Deputy Mayor. At the Special Meeting 1 November 2017, Cr Charlotte Bisset was elected as Mayor and Cr Sandice McAulay was elected as Deputy Mayor for a period of 12 months.

Council Meetings

Council decisions are made by resolution of Council either at Ordinary Council Meetings or at Special Council Meetings.

Ordinary Meetings of Council are held on the fourth Wednesday of the month.

Council meetings alternate between the Alexandra and Yea Council Chambers. A schedule of council meetings is available at any Council office or on our web site. Community members are encouraged to attend and participate in Council meetings.

Councillors generally also meet on the first three Wednesdays of each month for briefing sessions. Briefing sessions give Councillors the opportunity to hear presentations by officers on upcoming items and to seek clarification on these and other issues that may appear on the agenda at future Council meetings.

A 'Public Participation' session is held at the beginning of each Council meeting to allow members of the public to address Council or have questions answered by Council.

Agendas for Council meetings are made available on Council's website (or from Council offices) no less than 48 hours before the scheduled meeting from a Council office or on our website.

Additional Special Meetings of Council may be called to consider specific issues. As well as the formal notice we make every effort to publicise these meetings through local media and on Council's website.

Council meetings are conducted in accordance with the procedures as detailed in Murrindindi Shire Council's *Governance Local Law 2, 2014*.

A meeting is held annually to elect the Mayor and Deputy Mayor, and to set allowances for the Mayor and Councillors. This meeting was held on 1 November 2017.

	Ordinary Council Meetings		Special Council Meetings	
	Eligible to Attend	Attended	Eligible to Attend	Attended
Cr C Bissett, Mayor	12	12	3	3
Cr S McAulay	12	11	3	3
Cr J Ashe	12	11	3	2
Cr R Bowles	12	12	3	3
Cr L Dunscombe	12	11	3	3
Cr E Lording	12	11	3	2
Cr M Rae	12	12	3	3

Special Committees of Council

In accordance with the *Local Government Act 1989*, Council may establish Special Committees with delegated powers to inform and act on behalf of Council. Murrindindi Shire Council has 11 Section 86 Committees of Management.

Portfolios

Each Councillor, with the exception of the Mayor, is responsible for a specific 'portfolio' which focuses on a functional area of Council.

This allows each Councillor to maintain a close relationship with staff managing issues associated with their portfolio and to report to Council meetings on points of interest that fall under that portfolio.

Councillor	Portfolio
Cr Charlotte Bissett	The Mayor does not hold a portfolio
Cr Jackie Ashe	Economic Development
Cr Rebecca Bowles	Natural Environment and Climate Change
Cr Leigh Dunscombe	Corporate and Customer Services
Cr Eric Lording	Infrastructure and Waste
Cr Sandice McAulay	Community Services
Cr Margaret Rae	Land Use Planning

Local Laws

Council's Local Laws are:

- *Governance Local Law 2, 2014*
- *Community Local Law 2012*

Local Laws are available for viewing at all Council offices and online at www.murrindindi.vic.gov.au

Policy and Strategy Reviews

Council Policies

Council reviewed or adopted the following Council Policies in 2017/18:

- **Procurement Policy – 27 June 2018**

This Policy outlines Council's procurement principles and provides guidance on expected ethical behaviour in procurement processes. The Policy demonstrates how Council supports the local economy through its procurement practices and how value for money is achieved. It also ensures consistency and control over procurement activities.

- **Child Safe Policy – 24 January 2018**

This Policy outlines the required Child Safe Standards to protect children. The standards apply to all organisations, community and sporting groups. Council is required to develop and implement a Child Safe Policy (Policy) to fulfil its obligations under the Child Safe Standards.

- **Service Provision on Code Red Days Policy – 20 December 2017**

The Service Provision on Code Red Days Policy outlines how Council will respond on declared Code Red Days to minimise risk to personal safety. Fire behaviour on Code Red Days is considered to be uncontrollable. This Policy upholds Council's legal obligation to ensure its employees, Councillors and the general public are not placed in situations of risk to safety due to its services and actions.

- **Enterprise Risk Management Policy – 25 October 2017**

The Policy sets out Council's risk management principles, risk appetite, roles and responsibilities and risk reporting framework.

- **Privacy Policy – 27 September 2017**

This Policy sets out Council's commitment to appropriate collection, management and disclosure of personal information to ensure compliance with privacy laws and to give the community confidence about Council's commitment to privacy.

Strategies and Plans

During 2017/2018 Council adopted the following strategies and community plans.

- 2018/19 Annual Budget and Strategic Resource Plan Review – 27 June 2018
- Municipal Public Health and Wellbeing Plan – 22 November 2017
- Domestic Animal Management Plan 2017-2021 – 25 October 2017
- Municipal Emergency Management Plan – 27 September 2017

Auditing

Audit Advisory Committee

The Audit Advisory Committee is an independent advisory committee to Council. The primary objectives of the Audit Advisory Committee are to:

- assist Council in the effective conduct of its responsibilities for internal and external financial reporting
- manage risk
- maintain a reliable system of internal controls
- facilitate the organisation's ethical development
- act as an effective conduit for communications between the external auditor, internal auditor, management and Council.

For the 2017/18 financial year, the Audit Advisory Committee comprised the following members:

- Michele Sheward (Chair)
- Richard Rogerson
- Ian McKaskill
- Cr Charlotte Bisset (non-voting)
- Cr Sandice McAulay
- Cr Leigh Dunscombe

The Chief Executive Officer and a representative of the Internal Auditor are also required to attend Audit Advisory Committee meetings in a non-voting capacity. A representative of the External Auditor is also required to attend where the year-end financial statements or external audit reports are to be considered.

The Audit Advisory Committee met on four occasions during the 2017/18 financial year, providing invaluable advice to Council on a number of important issues including reviews of Council's Business Continuity and Disaster Recovery Planning, Strategic Risk Framework and Council's budgetary and annual reporting processes.

Recommendations from the audit program are prioritised and addressed as opportunities for improvement across the organisation.

Internal Audits

Murrindindi Shire Council's internal audit function is contracted to Crowe Horwath for a term of 4 years (from 1 January 2015).

During 2017/18 Council's Internal Auditors conducted the following components of the audit program:

- Review of Accounts Payable and Payroll – presented September 2017
- Review of Contributed Assets – presented December 2017
- Review of Local Laws Enforcement – presented May 2018

External Audits

Council's external auditor is Johnsons MME. Johnsons MME has held this role since the 2014/15 financial year. The main audit is conducted in August with interim audits conducted during the year.

Privacy

Council is committed to the responsible collection, handling and protection of the personal privacy of residents, ratepayers and the community as a whole. Council has policies in place to ensure adherence with the *Privacy and Data Protection Act 2014* and will only collect, use or disclose information where it is necessary to perform Council functions or where required by law.

Murrindindi Shire Council will take all reasonable steps to keep any information held about individuals secure.

Freedom of Information

The *Freedom of Information Act 1982* gives the community a legally enforceable right to information held by Council.

Applications under the *Freedom of Information Act 1982* must be made in writing and a fee of \$28.40 (as of 1 July 2017) must be paid. Information regarding Council's FOI application process can be found on Council's website or available from any of the Council Offices. Community members are encouraged to contact Council's FOI Officer before lodging an application to receive advice regarding what information is and is not accessible under the Act.

Year	Number of applications
2010-2011	12
2011-2012	16
2012-2013	9
2013-2014	9
2014-2015	28
2015-2016	11
2016-2017	19
2017-2018	21

Freedom of Information	2017/18
Access granted in full	3
Access granted in part	4
Access denied in full	5
Withdrawn	Nil
Not proceeded with	4
Act does not apply	Nil
Not processed	2
No documents	2
Outside the Act	Nil
Not yet finalised	1

The *Protected Disclosure Act 2012* reformed approaches to integrity in Victoria, including the establishment of the Independent Broad-based Anti-corruption Commission (IBAC), a body established to promote integrity and accountability across the Victorian public sector, including local government.

Whistleblowers expose serious problems within the management and operations of a government organisation. The *Protected Disclosure Act 2012* enables people to make disclosures about improper conduct within the public sector without fear of reprisal. The Act aims to ensure openness and accountability by encouraging people to make disclosures and protecting them when they do.

Murrindindi Shire Council is committed to the aims and objectives of the *Protected Disclosure Act 2012* and has in place procedures to facilitate the making of disclosures. Council does not tolerate improper conduct by its employees, officers or members, nor acts of reprisal against those who come forward to disclose such conduct.

Contact details for Council's Protected Disclosure Coordinator/Officer are:

- Protected Disclosure Coordinator: Michael Chesworth, General Manager Corporate and Community Services, Murrindindi Shire Council, PO Box 138, Alexandra 3714. Ph: 5772 0335
- Protected Disclosure Officer: Liz Peddie, Coordinator Human Resources, Murrindindi Shire Council, PO Box 138, Alexandra 3714. Ph: 5772 0396

Alternative Contacts

- Independent Broad-Based Anti-Corruption Commission (IBAC), Address: IBAC, GPO Box 24234, Melbourne Victoria 3000, website: www.ibac.vic.gov.au, Phone: 1300 735 135

Note: All disclosures about Councillors should be directed to IBAC.

2017/18 Disclosures

Protected Disclosures Topic	Report 2017/18
Number of disclosures made	Nil
Disclosures referred to Ombudsman for determination	Nil
Disclosures referred to Ombudsman	Nil
Disclosures referred to Ombudsman to investigate	Nil
Investigations taken over by the Ombudsman	Nil
Requests made under Section 74 during the year to Ombudsman to investigate disclosed matters	Nil
Disclosures the public body has declined to investigate	Nil
Disclosures that were substantiated on investigation	Nil
Recommendations by the Ombudsman under this Act that relate to Murrindindi Shire Council	Nil

Documents for Public Inspection

Documents and registers available for inspection in accordance with the Local Government Act 1989 and Local Government (General) Regulations 2015 are:

- The certified voters' roll for a Council election - for the period beginning on the certification date and ending 30 days after election day.
- Copies of campaign donation returns lodged by candidates in the last council elections.
- The Council's adopted Code of Conduct 2017
- All Local Laws adopted by the Council.
- Copies of the council's Council Plan, Strategic Resource Plan, Budget and Annual Report.
- Details regarding differential rates declared by Council as part of Council's Annual Budget.
- Rating Strategy.
- Special Rate.
- Quality and Cost Standards.
- Details of overseas or interstate travel (with the exception of interstate travel by land for less than 3 days) undertaken in an official capacity by Councillors or any member of Council staff in the previous 12 months, including the names of the Councillors or members of Council staff and the date, destination, purpose and total cost of the overseas or interstate travel.
- Councillor Reimbursement Policy
- Agendas for council meetings - except parts of meetings closed to the public under section 89 of the Act.
- Minutes of council meetings - except parts of the meetings closed to the public under section 89 of the Act.
- A list of all special committees established by the Council which were abolished or ceased to function during the financial year.
- Minutes of meetings of special committees established under Section 86 of the Act and held in the previous 12 months except if the minutes relate to parts of meetings which have been closed to members of the public under Section 89 of the Act.

- Register of delegations kept under sections 87(1) and 98(4) of the Act, including the date on which the last review took place under sections 86(6) and 98(6), respectively, of the Act.
- A document containing details of all leases involving land which were entered into by the Council as lessor, including the lessee and the terms and the value of the lease.
- A register of authorised officers appointed under Section 224 of the Act.
- A list of donations and grants made by the council during the financial year.
- Council's current Procurement Policy.

Register of Interests

The Chief Executive Officer must maintain a register of the interests of Councillors, members of special committees and nominated officers consisting of the last three returns that those Councillors, members and officers were required to submit in accordance with section 81 of the Local Government Act 1989. The register may be inspected at the office of the Council during normal office hours. An application to inspect the register is required in writing to the Chief Executive Officer using Council's prescribed form, available at: www.murrindindi.vic.gov.au/Your-Council/Governance/Documents-for-Public-Inspection

Cemetery Management

Murrindindi Shire Council acts as the Trust for the Yea Cemetery and administers both the Pioneer and Lawn Cemeteries in Yea. Activities completed with regard to these cemeteries during 2017/18 included:

- Completion of works to improve the road surface and drainage in the western end of the Lawn Cemetery.
- Installation of new concrete beams to create capacity for more grave sits in the Lawn Cemetery.

Looking forward the Trust is wanting to:

- Develop a Conservation Management Plan for the Pioneer Cemetery, subject to grant funding.
- Progress options for future community management of the two cemeteries.

Governance and Management Checklist

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

Governance and Management Items	Assessment
1. Community engagement policy (policy outlining Council's commitment to engaging with the community on matters of public interest)	Current policy adopted: 24 September 2012
2. Community engagement guidelines (guidelines to assist staff to determine when and how to engage with the community)	Current guidelines adopted: 24 September 2012
3. Strategic Resource Plan (plan under section 126 of the Act outlining the financial and non-financial resources required for at least the next 4 financial years)	Adopted in accordance with s126 of the Act: 28 June 2017
4. Annual budget (plan under section 130 of the Act setting out the services to be provided and initiatives to be undertaken over the next 12 months and the funding and other resources required)	Adopted in accordance with s130 of the Act: 28 June 2017
5. Asset management plans (plans that set out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)	Council maintains a large number of different asset management plans broken down into the following categories - Roads, Paths, Kerb & Channel, Bridges, Urban Drainage, Community Buildings, Plant & Equipment, and Corporate Buildings.
6. Rating Strategy (strategy setting out the rating structure of Council to levy rates and charges)	Current strategy adopted: 25 March 2015
7. Risk Policy (policy outlining Council's commitment and approach to minimising the risks to Council's operations)	Enterprise Risk Management Policy adopted: 25 October 2017 Occupational Health and Safety Policy adopted: 28 October 2016

Governance and Management Items	Assessment
8. Fraud Policy (policy outlining Council's commitment and approach to minimising the risk of fraud)	Current policy adopted: 24 September 2014
9. Municipal Emergency Management Plan (plan under section 20 of the Emergency Management Act 1986 for emergency prevention, response and recovery)	Adopted in accordance with s20 of the Act: November 2017
10. Procurement Policy (policy under section 186A of the Local Government Act 1989 outlining the matters, practices and procedures that will apply to all purchases of goods, services and works)	Current policy adopted in accordance with s186A of the Act: 27 June 2018
11. Business Continuity Plan (plan setting out the actions that will be taken to ensure that key services continue to operate in the event of a disaster)	Current plan adopted: 30 April 2015
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)	Current plan adopted: 30 June 2015
13. Risk Management Framework (framework outlining Council's approach to managing risks to the Council's operations)	Current framework adopted: 12 November 2015
14. Audit Committee (advisory committee of Council under section 139 of the Act whose role is to oversee the integrity of a Council's financial reporting, processes to manage risks to the Council's operations and for compliance with applicable legal, ethical, and regulatory requirements)	Committee enacted in accordance with s139 of the Act that meets quarterly to review Council's financial, risk and corporate affairs.
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)	Current independent auditor engaged as of 1 January 2015 for 4 year term.
16. Performance reporting framework (a set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 131 of the Act)	Current framework enacted as of 1 July 2014.
17. Council Plan reporting (report reviewing the performance of the Council against the Council Plan, including the results in relation to the strategic indicators, for the first six months of the financial year)	Council reports its performance against the Council Plan on a quarterly basis at the November, February, April and August meetings.
18. Financial reporting (quarterly statements to Council under section 138 of the Act comparing budgeted revenue and expenditure with actual revenue and expenditure)	Council reports its financial performance against the budget on a quarterly basis at the October, February, April and September meetings.
19. Risk reporting (six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies)	Reported to Council's Audit Committee in December 2017 and May 2018.
20. Performance reporting (six-monthly reports of indicators measuring the results against financial and non-financial performance, including performance indicators referred to in section 131 of the Act)	Council reports its performance against key indicators of both financial and non-financial performance on a quarterly basis at the November, February, April and August meetings.
21. Annual Report (annual report under sections 131, 132 and 133 of the Act to the community containing a report of operations and audited financial performance statements)	Annual Report 2016/17 adopted in accordance with the Act: 27 September 2017
22. Councillor Code of Conduct (Code under section 76C of the Act setting out the conduct principles and the dispute resolution processes to be followed by Councillors)	Current Code adopted: 22 February 2017



Governance and Management Items	Assessment
23. Delegations (a document setting out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff)	Reviewed in accordance with s98(6) of the Act: 12 January 2018
24. Meeting procedures (a local law governing the conduct of meetings of Council and special committees)	Current Local Law adopted: 25 June 2014

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

Craig Lloyd
Chief Executive Officer
Dated: 27 September 2018

Charlotte Bissett
Mayor
Dated: 27 September 2018

Donations and Grants by Council 2017/18

Received By	Amount \$
Alexandra & District Kindergarten	21,787
Alexandra Events Corporation	8,000
Alexandra Information Centre	3,500
Alexandra Pastoral & Agricultural Ladies Auxiliary	100
Alexandra Pre School	2,475
Alexandra Secondary College	500
Alexandra Speedway	3,000
Big Little Events	2,000
Eildon Community Leisure Centre	1,000
Eildon Information Centre	635
Eildon Preschool	6,820
Eildon Resource Centre	500
Fat Tyre Flyers	2,000
Firefoxes Australia	2,500
Flowerdale Sports Club	425
Geocaching Melbourne	1,000
Glenburn Hall & Progress Association	325
Kinglake Country Fair	500
Kinglake Information Centre	264
Kinglake Ranges Boomerang Bags	2,500
Kinglake Senior Citizens	2,980
Lions Club of Eildon	425
Lions Club of Marysville	750
Marysville Triangle Business & Tourism	1,925
Mothers Day Classic Foundation	660
Mountain Events	1,500
Murrindindi-Woodbourne Community Hub	250
Rotary Club of Alexandra	2,500
Rotary Club of Kinglake Ranges	2,000
Rotary Club of Yea	2,450
Sacred Heart Primary School	2,500
Strath Creek Reserves & Hall	375
Taungurung Clans Aboriginal Corporation	2,000
Triangle Arts Group	2,000
Y Water Centre	600
Yea Agricultural Pastoral & Horticultural Association	660
Yea Bowls Club Inc	1,000
Yea Pottery Studio	3,500
TOTAL	87,906

Organisation Memberships for 2017/18

Received By	Membership Fee \$
Local Government Professionals	1,195
Australian Local Government Job Directory	890
Municipal Association Of Victoria	26,363
Family Day Care Australia	145
Public Library Victoria Network Inc	1,136
Institute of Public Works Engineering Australasia	1,200
National Saleyards Association	554
Children's Book Council	85
Victorian Local Governance Association	4,660
Goulburn Valley Regional Waste Management Group	8,495
Meals Victoria	80
Victorian Maternal & Child Health Coordinators Group	75
Australian Local Government Womens Association	268
National In-Home Childcare Association	200
National In-Home Councils Association	2,500
Rural Councils Victoria	3,000
Goulburn Broken Greenhouse Alliance	5,477
TOTAL	56,323

National Competition Policy Compliance

Council continues to ensure compliance with the National Competition Policy in order to ensure the transparency of its decision making and as good business practice.

INTRODUCTION TO THE FINANCIALS

Understanding the Financial Statements

Murrindindi Shire Council's Financial Report is a general purpose financial report that consists of an Income Statement, Balance Sheet, Statement of Changes in Equity and a Cash Flow Statement, together with explanatory notes.

This general purpose Financial Report has been prepared to comply with the provisions of the Local Government Act, 1989, Local Government (Finance and Reporting) Regulations 2014, applicable Australian Accounting Standards and other mandatory professional reporting requirements.

Particular terms required by the Standards may not be familiar to some readers. Further, Council is a 'not for profit' public organisation and some of the generally recognised terms used in private sector company reports are not appropriate for Council's reports.

Council is committed to accountability and transparency. It is in this context that the plain English guide has been developed to assist readers to understand and analyse the financial report.

What is contained in the annual Financial Report?

Council's financial report has two sets of Statements:

1. Financial Statements
2. Performance Statement

Each of these statements is prepared by Council staff, examined by Council's Audit Advisory Committee, examined by Council and is then audited by the Victorian Auditor-General.

Comprehensive Income Statement

The Income Statement sets out the movement in relation to revenue, expenses and other adjustments from all activities and compares these figures to the previous financial year. It provides a view of Council's operating performance. The Income Statement requires revenues to be separately disclosed where the item is of such a size, nature and incidence, that its disclosure is relevant in explaining the performance of Council.

The Balance Sheet

The Balance Sheet shows a snapshot of Council's financial position as at 30 June 2018. It shows the total of what is owned (assets) less what is owed (liabilities). The assets and liabilities are separated into 'current' and 'non-current'. 'Current' means those assets or liabilities that fall due in the next 12 months. The bottom line of this statement is net assets, which reflect the net worth of the Council. The change in net assets between the two years shows how the financial position has changed over the period. Net assets are made up of the total current and non-current assets less the current and non-current liabilities.

Statement of changes in equity

During the course of the year, the value of 'Total Equity' as set out in the Balance Sheet changes. This Statement shows the values of such changes and how these changes arose.

The main reasons for a change in equity stem from:

- the 'surplus or deficit' from operations, described in the Comprehensive Income Statement as the Comprehensive Result for the year
- the use of monies from Council's reserves
- a revaluation of the assets which takes place on a regular basis to ensure the most up-to-date value is included in Council's books. It also occurs when existing assets are taken up in the books for the first time.

Cash Flow Statement

The Cash Flow Statement summarises Council's cash payments and cash receipts for the year. This Statement is presented according to a very specific Accounting Standard and needs some care in analysis. The values may differ from those shown in the Comprehensive Income Statement because the Comprehensive Income Statement is prepared on an accrual accounting basis.

Cash in this Statement refers to bank deposits and other forms of highly liquid investments that can be readily converted to cash. Council's cash arises from, and is used in, three main areas.

1. Cash flows from operating activities:

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

2. Cash flows from investing activities:

- This section shows the cash invested in the creation or purchase of property, infrastructure, plant and equipment assets and the cash received from the sale of these assets.

3. Cash flows from financing activities:

- This is where the receipt and repayment of borrowed funds are recorded.

The bottom line of the Cash Flow Statement is the cash and cash equivalents at end of financial year. This shows the capacity of Council to meet its cash debts and other liabilities.

Notes to the Financial Statements

The Notes are a very important and informative section of the Report. The Australian Accounting Standards are not prescriptive on some matters. Therefore, to enable the reader to understand the basis upon which the values shown in the Statements are established, it is necessary to provide details of Council's significant accounting policies.

Apart from the accounting policies, the Notes also give details behind many of the summary figures contained in the Statements. The Note numbers are shown beside the relevant items in the Comprehensive Income Statement, Balance Sheet and the Cash Flow Statement.

The Notes also include information that Council wishes to disclose but which cannot be incorporated into the Statements.

Other notes include:

- the cost of the various functions/activities of Council
- the breakdown of expenses, revenues, reserves and other assets
- contingent liabilities
- transactions with persons related to Council
- financial performance indicators (ratios).

The Notes should be read in conjunction with the other parts of the Financial Statements to get a clear picture of the accounts.

Performance Statement

The Performance Statement shows the results that were achieved for the year for a number of performance indicators.

The document is then certified by the Principal Accounting Officer, the person responsible for the financial management of Council. This certification shows that the Financial Statements have met all the statutory and professional reporting requirements.

The Performance Statement is also certified by the Chief Executive Officer and two Councillors on behalf of Council that, in their opinion, the Financial Statements are fair and not misleading or inaccurate.

Auditor-General's Report

The Independent Audit Report provides the reader with an external and independent opinion on the Financial Statements. It confirms that the Financial Report has been prepared in accordance with relevant legislation and professional standards and that it represents a fair picture of the financial affairs of the Council.

Murrindindi Shire Council
Annual Financial Report
For the Year Ended
30-June-2018

Murrindindi Shire Council
Financial Report
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**Comprehensive
Income Statement
For the Year Ended 30 June 2018**

Certification of the Financial Statements

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



Alan Cassell
Principal Accounting Officer

Date : 26-9-18
Alexandra

In our opinion the accompanying financial statements present fairly the financial transactions of Murrindindi Shire Council for the year ended 30 June 2018 and the financial position of the Council as at that date.

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

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



Sandice McAulay
Deputy Mayor

Date : 26TH SEPTEMBER 2018
Alexandra



Leigh Dunscombe
Councillor

Date : 26/9/2018
Alexandra



Craig Lloyd
Chief Executive Officer

Date : 26 9/18
Alexandra

Independent Auditor's Report

To the Councillors of Murrindindi Shire Council

Opinion	<p>I have audited the financial report of Murrindindi Shire Council (the council) which comprises the:</p> <ul style="list-style-type: none">• balance sheet as at 30 June 2018• comprehensive income statement for the year then ended• statement of changes in equity for the year then ended• statement of cash flows for the year then ended• notes to the financial statements, including significant accounting policies• certification of the financial statements. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2018 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 6 of the <i>Local Government Act 1989</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Councillors' responsibilities for the financial report	<p>The Councillors of the council are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Local Government Act 1989</i>, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Councillors are responsible for assessing the council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

Auditor's responsibilities for the audit of the financial report

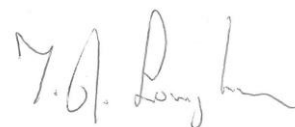
As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and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

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

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

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

MELBOURNE
27 September 2018



Tim Loughnan
as delegate for the Auditor-General of Victoria

Comprehensive Income Statement For the Year Ended 30 June 2018

	Note	2018 \$	2017 \$
Income			
Rates and charges	2.1	19,797,539	19,182,525
Statutory fees and fines	2.2	931,502	849,341
User fees	2.3	2,311,476	2,011,358
Grants -operating	2.4	7,489,788	9,347,717
Grants - capital	2.4	2,292,557	1,894,792
Contributions - monetary	2.5	612,772	288,723
Contributions - non monetary	2.5	297,180	554,912
Other income	2.6	1,579,637	1,570,308
Total income		35,312,451	35,699,676
Expenses			
Employee benefits	3.1	13,751,412	12,923,695
Materials and services	3.2	9,436,537	9,537,835
Depreciation and amortisation	3.3	8,861,522	8,959,143
Bad and doubtful debts	3.4	21,193	4,917
Borrowing cost	3.5	78,515	215,314
Net loss on disposal of property, infrastructure, plant and equipment	3.6	255,167	525,708
Other expenses	3.7	296,106	266,229
Total expenses		32,700,452	32,432,841
Surplus for the financial year		2,611,999	3,266,835
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation increment (decrement)	5.2	36,222,193	5,230,016
Comprehensive result		38,834,192	8,496,851

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

Balance Sheet As at 30 June 2018

	Note	2018 \$	2017 \$
Assets			
Current assets			
Cash and cash equivalents	4.1(a)	7,358,780	4,582,657
Other financial assets	4.1(b)	24,319,500	23,419,500
Trade and other receivables	4.1(c)	4,702,549	2,771,315
Inventories		31,742	45,714
Other assets	4.2	363,211	392,078
Non-Current assets classified as held for sale	5.1	217,047	217,047
Total current assets		36,992,829	31,428,311
Non-current assets			
Trade and other receivables	4.1(c)	15,996	20,366
Intangible assets	4.2	3,595,970	3,725,950
Property, infrastructure, plant and equipment	5.2	341,562,854	306,281,821
Total non-current assets		345,174,820	310,028,137
Total assets		382,167,649	341,456,448
Liabilities			
Current liabilities			
Trade and other payables	4.3(a)	3,041,244	1,323,958
Trust funds and deposits	4.3(b)	1,128,612	995,068
Interest-bearing loans and borrowings	4.4	319,840	367,646
Provisions	4.5	3,362,572	3,158,641
Total current liabilities		7,852,268	5,845,313
Non-current liabilities			
Interest-bearing loans and borrowings	4.4	667,026	986,866
Provisions	4.5	6,163,034	5,973,139
Total non-current liabilities		6,830,060	6,960,005
Total liabilities		14,682,328	12,805,318
Net Assets		367,485,321	328,651,130
Equity			
Accumulated surplus		131,242,479	130,012,077
Reserves	8.1	236,242,842	198,639,053
Total Equity		367,485,321	328,651,130

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

Statement of Changes in Equity For the Year Ended 30 June 2018

	Note	Total \$	Accumulated Surplus \$	Asset Revaluation Reserve \$	Other Reserves \$
2018					
Balance at beginning of the financial year		328,651,129	130,012,077	182,944,360	15,694,692
Surplus for the year		2,611,999	2,611,999	-	-
Net asset revaluation increment (decrement)	8.1	36,222,193	-	36,222,193	-
Transfers to other reserves	8.1	-	(2,414,635)	-	2,414,635
Transfers from other reserves	8.1	-	1,033,038	-	(1,033,038)
Balance at end of the financial year		367,485,321	131,242,479	219,166,553	17,076,289

		Total \$	Accumulated Surplus \$	Asset Revaluation Reserve \$	Other Reserves \$
2017					
Balance at beginning of the financial year		320,154,279	128,493,089	177,714,345	13,946,845
Surplus for the year		3,266,835	3,266,835	-	-
Net asset revaluation increment (decrement)	8.1	5,230,016	-	5,230,016	-
Transfers to other reserves	8.1	-	(3,144,950)	-	3,144,950
Transfers from other reserves	8.1	-	1,397,103	-	(1,397,103)
Balance at end of the financial year		328,651,130	130,012,077	182,944,361	15,694,692

The above Statement of Changes in Equity should be read with the accompanying notes

**Statement of Cash Flows
 For the Year Ended 30 June 2018**

	Note	2018 Inflows/ (Outflows) \$	2017 Inflows/ (Outflows) \$
Cash flows from operating activities			
Rates		18,572,026	18,996,644
Statutory fees and fines		931,304	849,709
User fees		2,348,323	2,554,339
Grants - operating		7,046,456	9,522,669
Grants - capital		2,319,464	1,903,014
Contributions - monetary		615,032	306,931
Interest received		905,767	793,447
Other Income		735,331	787,906
Net Fire Services Property Levy received (remitted)		18,371	36,977
Net GST refund		1,143,112	1,384,908
Net receipt/(repayment) of trust funds and deposits		115,173	(15,467)
Payments to suppliers (inclusive of GST)		(10,226,563)	(12,596,310)
Payments to employees (including redundancies)		(13,455,992)	(12,857,584)
Net cash provided by operating activities	8.2	<u>11,067,804</u>	<u>11,667,183</u>
Cash flows from investing activities			
Payments for property, plant and equipment, infrastructure		(7,001,862)	(9,972,113)
Payments for intangible assets		(188,847)	(77,473)
Proceeds from sale of property, plant and equipment, infrastructure		249,785	529,651
Payments for Investments		(900,000)	(300,000)
Net cash used in investing activities		<u>(7,840,924)</u>	<u>(9,819,935)</u>
Cash flows from financing activities			
Finance costs		(83,111)	(222,937)
Repayment of interest bearing loans and borrowings		(367,646)	(673,638)
Net cash used in financing activities		<u>(450,757)</u>	<u>(896,575)</u>
Net increase (decrease) in cash and cash equivalents		2,776,123	950,673
Cash and cash equivalents at the beginning of the financial year		4,582,657	3,631,984
Cash and cash equivalents at the end of the financial year	4.1(a)	<u>7,358,780</u>	<u>4,582,657</u>

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

Financial assets	4.1
Financing arrangements	4.6

Statement of Capital Works
For the Year Ended 30 June 2018

	Note	2018	2017
Property			
Land		-	11
Total land		-	11
Buildings		1,845,606	2,616,464
Total buildings		1,845,606	2,616,464
Total property		1,845,606	2,616,475
Plant and equipment			
Plant, machinery and equipment		1,354,170	699,578
Fixtures, fittings and furniture		95,254	103,556
Software		188,847	-
Library books		103,346	91,596
Total plant and equipment		1,741,617	894,730
Infrastructure			
Roads		2,968,519	4,276,696
Bridges		872,849	1,022,088
Footpaths and cycleways		227,350	357,961
Drainage		107,619	128,171
Total infrastructure		4,176,337	5,784,916
Total capital works expenditure		7,763,560	9,296,121
Represented by:			
New asset expenditure		286,778	205,513
Asset renewal expenditure		4,418,953	6,901,342
Asset expansion expenditure		876,348	880,240
Asset upgrade expenditure		2,181,481	1,309,026
Total capital works expenditure		7,763,560	9,296,121

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

Notes to Financial Report For the Year Ended 30 June 2018

OVERVIEW

Introduction

The Murrindindi Shire Council was established by an Order of the Governor in Council on 18 November 1994 and is a body corporate. The Council's main office is located at Perkins Street, Alexandra.

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, 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

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 estimates are revised and also in futures 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 5.2)
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 5.2)
- the determination of landfill provisions (refer to Note 4.5)
- the determination of employee provisions (refer to Note 4.5)

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.

Amounts in the financial report have been rounded to the nearest dollar. Figures in the financial statement may not equate due to rounding.

**Notes to Financial Report
 For the Year Ended 30 June 2018**

Note 1 Performance against budget

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

The budget figures detailed below are those adopted by Council on 21st June 2017. The Budget was based on assumptions that were relevant at the time of adoption of the Budget. Council sets guidelines and parameters for revenue and expense targets in this budget in order to meet Council's planning and financial performance targets for both the short and long-term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

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

1.1 Income and expenditure

	Budget 2018	Actual 2018	Variance 2018	Ref
	\$	\$	\$	
Income				
Rates and charges	19,833,000	19,797,539	(35,461)	
Statutory fees and fines	715,000	931,502	216,502	1
User fees	1,903,000	2,311,476	408,476	2
Grants - operating	6,938,000	7,489,788	551,788	3
Grants - capital	1,748,000	2,292,557	544,557	4
Contributions - monetary	123,000	612,772	489,772	5
Contributions - non monetary	194,000	297,180	103,180	6
Other income	1,269,000	1,579,637	310,637	7
Total income	32,723,000	35,312,451	2,589,451	
Expenses				
Employee costs	14,147,000	13,751,412	395,588	
Materials and services	9,493,000	9,436,537	56,463	
Bad and doubtful debts	-	21,193	(21,193)	8
Depreciation and amortisation	8,968,000	8,861,522	106,478	
Borrowing costs	107,000	78,515	28,485	9
Net loss on disposal of property, infrastructure, plant and equipment	249,000	255,167	(6,167)	
Other expenses	295,000	296,106	(1,106)	
Total expenses	33,259,000	32,700,452	558,548	
Surplus/(deficit) for the year	(536,000)	2,611,999	3,147,999	

**Notes to Financial Report
 For the Year Ended 30 June 2018**

Note 1 Budget comparison (Cont.)

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Statutory fees and fines	Planning permit fee income increased due to increased statutory charges \$145,000, building permit income was \$21,000 above expectations.
2	User Fees	Federal Government changes to funding Aged Care Packages is driving increasing private demand for Council services \$214,000. Increased waste volumes at the Landfill resulted in an extra \$144,000.
3	Grants - operating	An additional \$248,000 was received for the Commonwealth Financial Assistance Grant. Increased funding due to service growth in the provision of Family Day Care \$139,000. The following grants were received but not budgeted, Streaming for Growth \$50,000, VicRoads Building our Regional Communities \$90,000.
4	Grants - capital	The following grants we received , but not budgeted. Eildon-Jameson Road Blackspot \$288,000, Yea Saleyards \$90,000, Marysville Tourism and Arts Centre \$118,000.
5	Contributions - monetary	Unbudgeted contributions were received for the following 3 projects. Marysville Tourism and Arts Centre \$329,000, Bushfire Memorials \$112,000, and the Yea & District Children's Centre \$50,000.
6	Contributions - non monetary	Council receives contributions in the form of infrastructure as a result of subdivisions and developer contributions, The timing and amount of such contributions is largely outside Councils control. Details of contributions are shown at note 2.3
7	Other income	Additional interest on investments due to increased level of cash, the timing of capital works and receipt of grants \$220,000. Interest on outstanding rates increased \$53,000 due to lower than anticipated debt collection levels. An extra \$56,000 was collected for rent of the Kinglake RAC building.
8	Bad and doubtful debts	Council does not budget for bad and doubtful debts, however an amount owing by a not for profit community organisation was determined as being unrecoverable.
9	Borrowing costs	Council had budgeted for additional loan funding, however it was determined not to proceed with the loan, resulting in interest savings.

**Notes to Financial Report
 For the Year Ended 30 June 2018**

Note 1 Budget comparison (cont)

1.2 Capital works

	Budget 2018 \$	Actual 2018 \$	Variance 2018 \$	Ref
Property				
Land	30,000	-	(30,000)	1
Total Land	30,000	-	(30,000)	
Buildings	2,079,000	1,845,606	(233,394)	2
Total Buildings	2,079,000	1,845,606	(233,394)	
Total Property	2,109,000	1,845,606	(263,394)	
Plant and Equipment				
Plant, machinery and equipment	952,000	1,354,170	402,170	3
Fixtures, fittings and furniture	-	95,254	95,254	4
Computers and telecommunications	205,000	188,847	(16,153)	
Library books	99,000	103,346	4,346	
Total Plant and Equipment	1,256,000	1,741,617	485,617	
Infrastructure				
Roads	2,726,000	2,968,519	242,519	5
Bridges	885,000	872,849	(12,151)	
Footpaths and cycleways	231,000	227,350	(3,650)	
Drainage	226,800	107,619	(119,181)	6
Total Infrastructure	4,068,800	4,176,337	107,537	
Total Capital Works Expenditure	7,433,800	7,763,560	329,760	
Represented by:				
New asset expenditure	300,000	286,778	(13,222)	
Asset renewal expenditure	5,132,000	4,418,953	(713,047)	
Asset expansion expenditure	684,000	876,348	192,348	
Asset upgrade expenditure	1,318,000	2,181,481	863,481	
Total Capital Works Expenditure	7,434,000	7,763,560	329,560	

**Notes to Financial Report
 For the Year Ended 30 June 2018**

Note 2 Budget comparison (cont)

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Land	The funds were provided in anticipation of the settlement of a road alignment issue. These negotiations are ongoing as of 30 June 2018.
2	Buildings	An initial allocation of \$50,000 for the design of the Marysville Tourism and Arts Centre was increased when a grant to progress the project was received, which resulted in an additional \$450,000 expenditure. Due to delays in confirming required grant funding, budget allocations for the following projects were not spent: Yea Shire Hall \$120,000, Yea Railway Station Playground \$150,000, Alexandra Tennis Courts \$95,000. Delays in the design of a new landfill cell and the design for the capping of the existing cells was delayed due to resourcing constraints, requiring \$210,000 to be carried forward. These projects are now scheduled for completion in 2018/19.
3	Plant, machinery and equipment	The procurement and commissioning of 3 major items of plant were completed, the waste management prime mover, the mobile library van, and the road maintenance paveline truck. These plant items were initially budgeted for purchase in 2016/17, but funds were carried forward for completing these projects during 2017/18.
4	Fixtures, fittings and furniture	Works carried out at the pools were initially budgeted as buildings works, however these have been classified as equipment purchases. Such items included, pumps, pool vacuums and chlorinators. Other items budgeted as computer and telecommunications have been recorded as equipment.
5	Roads	Funds were received under the Blackspot funding program for work on Eildon-Jamieson Road \$389,000. The Pendlebury and Snodgrass Street special charge schemes did not proceed \$143,000.
6	Drainage	The Buxton flood levy was not constructed and is pending the completion of a study by Goulburn Broken Catchment Management Authority (\$47,000). The majority of the drainage renewal works will be on private property and were delayed to allow for further consultation, investigations and design (\$56,000).

Note 2 Funding for the delivery of our services

	2018	2017
	\$	\$
2.1 Rates and charges		
<p>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 total value of land plus buildings and improvements.</p> <p>The valuation base used to calculate general rates for 2017/2018 was \$4,109 million (2016/2017 \$4,062 million). The 2017/2018 rate in the dollar for general rate was 0.003584 of the capital improved value of the property (2016/2017 - 0.003514).</p> <p>The 2017/2018 Municipal Charge was \$326 (2016/2017 \$320) per rateable assessment. In 2017/2018 the Garbage Service Charge was \$352.50 (2016/2017 \$345.50) and Recycling Charge \$87.50 (2016/2017 \$85.50).</p>		
Residential	6,160,346	5,929,957
Commercial	836,273	831,992
Rural 1	3,151,385	3,121,907
Rural 2	2,990,890	2,871,266
Vacant Land - Residential	578,141	564,776
Vacant Land - Commercial	29,272	29,363
Municipal charge	3,087,387	2,981,430
Garbage charge	2,316,706	2,228,873
Recycling	584,702	561,628
Revenue in lieu of rates	62,437	61,333
Total rates and charges	<u>19,797,539</u>	<u>19,182,525</u>

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2018, and the valuation was first applied in the rating year commencing 1 July 2018.

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

2.2 Statutory fees and fines

Building	279,394	290,769
Environmental health and local laws	271,910	276,719
Planning and subdivisions	299,581	207,932
Infrastructure	40,971	33,339
Other	39,646	40,582
Total statutory fees and fines	<u>931,502</u>	<u>849,341</u>

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

Note 2	Funding for the delivery of our services (cont.)	2018	2017
2.3	User fees	\$	\$
	Halls and Community Centres	31,819	27,040
	Aged care	756,628	530,784
	Valuation data	10,941	105,318
	Saleyard fees	356,049	318,774
	Recreation pools and leisure centres	101,712	104,970
	Waste - transfer station & landfill fees	1,022,231	891,898
	Other fees and charges	32,096	32,574
	Total user fees	2,311,476	2,011,358

User fees are recognised as revenue when the service has been provided or the payment is received, whichever first occurs.

2.4 Funding from other levels of government

Grants were received in respect of the following :

Summary of grants

Commonwealth funded grants	7,948,648	9,618,697
State funded grants	1,833,697	1,623,812

Total grants received

9,782,345	11,242,509
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Operating Grants

Recurrent -Commonwealth Government

Financial Assistance Grants	4,648,228	6,496,112
Aged and disability	894,425	1,013,056
Children services	807,504	704,248

Recurrent -State Government

Aged and disability	338,144	202,720
Children services	180,274	172,237
Public health	13,196	10,192
Library services	164,132	146,362
Road safety	-	9,414

Total recurrent Operating Grants

7,045,903	8,754,341
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Non-recurrent -State Government

Children services	51,250	10,000
Economic development	-	278,270
Emergency management	60,000	60,000
Environmental services	42,023	37,862
Planning services	90,000	-
Public health	4,744	4,744
Library services	5,250	3,000
Recreational services	12,500	112,500
Recycling services	14,409	-
Roads and bridges	90,000	-
Youth services	73,709	87,000

Total non recurrent operating grants

443,885	593,376
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Total Operating grants

7,489,788	9,347,717
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**Notes to Financial Report
 For the Year Ended 30 June 2018**

Note 2.4	Funding from other levels of government (Cont.)	2018 \$	2017 \$
	Capital Grants		
	Recurrent-Commonwealth Government		
	Roads to Recovery	1,598,491	1,405,281
	Recurrent-State Government		
	Library materials	6,253	-
	Total recurrent capital grants	<u>1,604,744</u>	<u>1,405,281</u>
	Non-recurrent-State Government		
	Governance		
	Buildings	355,676	440,535
	Footpaths and cycleways	-	21,000
	Library materials	-	6,257
	Library equipment	40,800	-
	Roads	291,337	21,719
	Total non-recurrent capital grants	<u>687,813</u>	<u>489,511</u>
	Total capital grants	<u>2,292,557</u>	<u>1,894,792</u>

Unspent grants received on condition that they be spent in a specific manner

Balance at start of year	985,890	1,557,762
Received during the financial year and remained unspent at balance date	453,480	510,514
Received in prior years and spent during the financial year	639,612	1,082,386
Balance at end of year	<u>799,758</u>	<u>985,890</u>

Grant income is recognised when Council obtains control of the contribution. Control is normally obtained upon receipt (or acquittal) or upon earlier notification that a grant has been secured.

2.5 Contributions

Monetary - operating	34,187	230,223
Monetary - capital	578,585	58,500
Non-monetary - capital	297,180	554,912
	<u>909,952</u>	<u>843,635</u>

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

Land under roads	917	2,507
Heritage Plant and Equipment	10,000	-
Drainage	32,874	112,060
Footpaths and Cycleways	16,042	43,192
Roads	237,347	397,153
	<u>297,180</u>	<u>554,912</u>

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

2.6 Other income

Interest	728,884	663,090
Interest on rates	175,173	159,730
Rental	216,446	146,641
Reimbursements	300,814	439,722
Other	158,320	161,125
	<u>1,579,637</u>	<u>1,570,308</u>

Interest and rent are recognised as it is earned. Other income is measured at the fair value of the consideration received and is recognised when Council gains control over the right to receive the income.

Note 3	The cost of delivering services.	2018	2017
		\$	\$
3.1	Employee costs		
	Wages and salaries	11,651,847	10,990,359
	Casual Staff	709,774	572,948
	Superannuation -Defined Benefits Fund	57,788	64,932
	Superannuation -Accumulation Funds	1,088,820	1,025,273
	Fringe benefits tax	37,368	95,806
	Workcover	205,815	174,377
	Total employee Cost	<u>13,751,412</u>	<u>12,923,695</u>

(b) Superannuation

Council made contributions to the following funds:

Defined benefit fund

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	57,788	64,932
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Employer contributions payable at reporting date.

Accumulation funds

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	704,464	696,888
Employer contributions - other funds	384,356	328,385

	<u>1,146,608</u>	<u>1,090,205</u>
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Employer contributions payable at reporting date.

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	27,150	28,434
Employer contributions - other funds	16,103	13,398

Refer to Note 8.3 for further information relating to Councils Superannuation obligations.

3.2 Materials and services

Consultants	258,859	254,121
Contractors	6,779,173	6,687,756
Contributions	532,473	624,507
Insurance	409,459	422,836
Legal Expenses	206,344	309,748
Materials	757,493	739,344
Utilities	492,736	499,523
Total material and services	<u>9,436,537</u>	<u>9,537,835</u>

3.3 Depreciation and amortisation

Property	2,623,901	2,515,102
Plant and Equipment	842,503	876,856
Infrastructure	4,841,695	5,062,273
Total depreciation	<u>8,308,099</u>	<u>8,454,231</u>
Intangible assets	553,423	504,912
Total depreciation and amortisation	<u>8,861,522</u>	<u>8,959,143</u>

Refer to note 4.2 (b) and 5.2 for a more detailed breakdown of depreciation and amortisation charges and accounting policy.

**Notes to Financial Report
 For the Year Ended 30 June 2018**

Note 3	The cost of delivering services (Cont)	2018	2017
3.4	Bad and doubtful debts	\$	\$
	Rate Debtors	2,495	2,495
	Other Debtors	18,698	2,422
	Total bad and doubtful debts	<u>21,193</u>	<u>4,917</u>
3.5	Borrowing cost		
	Interest - borrowings	78,515	115,786
	Interest - provision for landfill rehabilitation	-	99,528
	Total borrowing costs	<u>78,515</u>	<u>215,314</u>
3.6	Net loss on disposal of property, plant and equipment and infrastructure		
	Written down value of assets disposed	504,952	1,055,359
	Less proceeds from sales	<u>(249,785)</u>	<u>(529,651)</u>
		<u>255,167</u>	<u>525,708</u>
	The profit or loss on sale of an asset is determined when control of the asset has irrevocably passed to the buyer.		
	Refer to Note 5.2 for additional details.		
3.7	Other expenses		
	Auditors remuneration - auditing of the financial report	44,600	44,500
	Auditors remuneration - internal audit	35,805	24,350
	Councillors allowances	199,703	175,907
	Other	15,998	21,472
		<u>296,106</u>	<u>266,229</u>

**Notes to Financial Report
For the Year Ended 30 June 2018**

Note 4	Our financial position	2018 \$	2017 \$
4.1	Financial assets		
	(a) Cash and cash equivalents		
	Cash at bank and on hand	2,173,780	886,657
	Term deposits and at call	5,185,000	3,696,000
	Total cash and cash equivalents	<u>7,358,780</u>	<u>4,582,657</u>
	(b) Other financial assets		
	Term Deposit - current	24,319,500	23,419,500
	Total other financial assets	<u>24,319,500</u>	<u>23,419,500</u>
	Total financial assets	<u>31,678,280</u>	<u>28,002,157</u>

Other financial assets are valued at fair value, being market value, at balance date. Term deposits are measured at amortised cost. Any unrealised gains and losses on holdings at balance date are recognised as either a revenue or expense.

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 4.3(b))	1,128,612	995,068
Statutory reserves (Note 8.1(b))	487,004	462,254
Total restricted cash and cash equivalents	<u>1,615,616</u>	<u>1,457,322</u>
Total unrestricted cash and cash equivalents	<u>5,743,164</u>	<u>3,125,335</u>

Intended allocations

Although not externally restricted the followings amounts have been allocated for specific future purpose by Council :

Cash held to fund carried forward capital works	2,310,424	2,740,009
Grants received in advance (Note 2.4)	799,758	985,890
Bank Guarantee - quarry	19,500	19,500
Cash held to fund discretionary reserves (Note 8.1)	16,589,285	15,232,438
Portion of long service leave liability	583,044	555,507
Total funds subject to intended allocations	<u>20,302,011</u>	<u>19,533,344</u>

Cash and cash equivalents include cash on hand, deposits at call, and other highly liquid investments with an original maturity of 90 days or less, net of outstanding bank overdrafts.

Other financial assets are valued at fair value balance date. Term Deposits are measured at original cost. Any unrealised gains and losses on holdings at balance date are recognised as either a revenue or expense.

**Notes to Financial Report
For the Year Ended 30 June 2018**

4.1 Financial assets (Cont.)	2018	2017
(c) Trade and other receivables	\$	\$
Current		
<i>Statutory receivables</i>		
Rates debtors	2,644,888	1,600,611
Provision for doubtful rate debts	(43,946)	(42,560)
Garbage and recycling debtors	462,903	282,776
Special rate scheme	11,430	7,277
Net GST receivable	276,445	245,267
<i>Non statutory receivables</i>		
Other debtors	523,176	333,087
Government grants	827,653	344,857
	<u>4,702,549</u>	<u>2,771,315</u>
Non-current		
<i>Non statutory receivables</i>		
Special rate scheme	15,996	20,366
	<u>15,996</u>	<u>20,366</u>
Total trade and other receivables	<u>4,718,545</u>	<u>2,791,681</u>

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

At balance date other debtors representing financial assets were past due but not impaired. The ageing of the Council's trade & other receivables excluding statutory receivables was:

Ageing of receivables		
Current (not yet due)	1,156,400	389,681
Past due by up to 30 days	108,934	213,737
Past due between 31 and 180 days	7,272	4,953
Past due between 181 and 365 days	8,908	2,582
Past due by more than 1 year	69,315	66,991
Total trade & other receivables	<u>1,350,829</u>	<u>677,944</u>

Movement in provisions for doubtful debts

Balance at the beginning of the year	-	86,635
Amounts already provided for and written off as uncollectible	-	(86,635)
Amounts provided for but recovered during the year	-	-
Balance at end of year	<u>-</u>	<u>-</u>

**Notes to Financial Report
For the Year Ended 30 June 2018**

4.1 Financial assets (Cont.)	2018 \$	2017 \$	
Ageing of individually impaired Receivables			
At balance date no debtors representing financial assets were impaired.			
The ageing of receivables that have been individually determined as impaired at reporting date was:			
Past due by more than 1 year	-	86,635	
Total trade & other receivables	-	86,635	
4.2 Non-financial assets			
(a) Other assets			
Accrued Income	189,400	190,912	
Prepayments	173,811	201,166	
	<u>363,211</u>	<u>392,078</u>	
(b) Intangible assets			
Landfill air space	3,339,343	3,648,477	
Software	256,627	77,473	
Total intangible assets	<u>3,595,970</u>	<u>3,725,950</u>	
Gross carrying amount			
Balance at 1 July 2017	77,473	4,234,964	4,312,437
Additions from internal developments	-	234,602	234,602
Other Additions	188,847	-	188,847
Balance at 1 July 2018	<u>266,320</u>	<u>4,469,566</u>	<u>4,735,886</u>
Accumulated amortisation and impairment			
Balance at 1 July 2017	-	(586,487)	(586,487)
Amortisation expense	(9,693)	(543,736)	(553,429)
Balance at 1 July 2018	<u>(9,693)</u>	<u>(1,130,223)</u>	<u>(1,139,916)</u>
Net book value at 30 June 2017	<u>77,473</u>	<u>3,648,477</u>	<u>3,725,950</u>
Net book value at 30 June 2018	<u>256,627</u>	<u>3,339,343</u>	<u>3,595,970</u>

Landfill air space represents the unused capacity of the Alexandra landfill. The value of this asset is based on the corresponding landfill restoration provision (refer to note 4.5) adjusted to reflect the portion of unused air space remaining within this landfill. Amortisation is on the basis of the consumption of airspace.

Software assets are amortised as an expense on a straight line basis over the asset's useful life.

**Notes to Financial Report
For the Year Ended 30 June 2018**

	\$ 2018	\$ 2017
4.3 Payables		
(a) Trade and other payables		
Trade payables	2,313,373	710,374
Loan Interest	11,599	16,195
Accrued wages	663,347	556,573
Accrued expenses	52,925	40,816
	<u>3,041,244</u>	<u>1,323,958</u>
(b) Trust funds and deposits		
Refundable building deposits	54,500	44,500
Refundable planning permit bonds	245,648	300,135
Retention contract deposits	442,414	364,180
Fire Service Property Levy	118,949	100,578
Other refundable deposits	267,101	185,675
	<u>1,128,612</u>	<u>995,068</u>

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 recognised as revenue at the time of the forfeit.

Purpose and nature of items:

Refundable building deposits and planning permit bonds - These amounts have been received from individuals or companies to guarantee performance of obligations under various building permits, planning permits and contract agreements.

Fire Service Property Levy - Council is the collection agent for this 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 this process.

Retention Amounts - Council has a contractual right to retain certain amounts until a contractor has met certain requirements or 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.

	2018 \$	2017 \$
4.4 Interest-bearing loans and borrowings		
Current		
Bank loans - secured	319,840	367,646
	<u>319,840</u>	<u>367,646</u>
Non-current		
Bank loans - secured	667,026	986,866
	<u>667,026</u>	<u>986,866</u>
Total	<u>986,866</u>	<u>1,354,512</u>

The maturity profile for Council's borrowings is:

Not later than one year	319,840	367,646
Later than one year and not later than five years	634,302	827,972
Later than five years	32,724	158,894
	<u>986,866</u>	<u>1,354,512</u>

Bank Loans are secured by a charge over the general rates of the Council.

Aggregate carrying amount of interest-bearing loans and borrowings:

Current	319,840	367,646
Non-current	667,026	986,866
	<u>986,866</u>	<u>1,354,512</u>

Borrowings are initially measured at fair value, being the cost of the interest bearing liabilities, net of transaction costs. The measurement basis subsequent to initial recognition depends on whether the Council has categorised its interest-bearing liabilities as either financial liabilities designated at fair value through the profit and loss, or financial liabilities at amortised cost. Any difference between the initial recognised amount and the redemption value is recognised in net result over the period of the borrowing using the effective interest method.

The classification depends on the nature and purpose of the interest bearing liabilities. Council determines the classification of its interest bearing liabilities at initial recognition.

**Notes to Financial Report
For the Year Ended 30 June 2018**

4.5 Provisions

	Employee	Landfill restoration	Total
2018	\$	\$	\$
Balance at beginning of the financial year	3,393,543	5,738,237	9,131,780
Additional provisions	1,237,637	234,602	1,472,239
Amounts used	(1,048,991)	-	(1,048,991)
Increase in the discounted amount arising because of the time and the effect of any change in the discount rate	-	(29,422)	(29,422)
Balance at the end of the financial year	<u>3,582,189</u>	<u>5,943,417</u>	<u>9,525,606</u>

2017

Balance at beginning of the financial year	3,389,778	5,301,037	8,690,815
Additional provisions	1,039,467	337,672	1,377,139
Amounts used	(1,035,702)	-	(1,035,702)
Increase in the discounted amount arising because of the time and the effect of any change in the discount rate		99,528	99,528
Balance at the end of the financial year	<u>3,393,543</u>	<u>5,738,237</u>	<u>9,131,780</u>

2018	2017
\$	\$

(a) Employee benefits

Current provision expected to be settled within 12 months

Annual leave	804,623	775,632
Long service leave	<u>144,401</u>	<u>100,879</u>
	<u>949,024</u>	<u>876,511</u>

Current provision expected to be settled after 12 months

Annual leave	445,389	395,883
Long service leave	<u>1,968,159</u>	<u>1,886,247</u>
	<u>2,413,548</u>	<u>2,282,130</u>

Total Current employee provision

<u>3,362,572</u>	<u>3,158,641</u>
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Non-current

Long service leave	219,617	234,902
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Total Non-current employee provision

<u>219,617</u>	<u>234,902</u>
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Aggregate carrying amount of employee benefits:

Current	3,362,572	3,158,641
Non-current	<u>219,617</u>	<u>234,902</u>
Total aggregate carrying amount of employee benefits	<u>3,582,189</u>	<u>3,393,543</u>

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

Wages and salaries and annual leave

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

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

**Notes to Financial Report
For the Year Ended 30 June 2018**

4.5 Provisions (Cont.)

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	Key assumptions	2018	2017
	- discount rate	2.35%	2.26%
	- index rate	2.50%	2.50%
	- inflation rate	2.50%	2.50%
	- settlement rate	12 yrs.	12 yrs.

(b) Provisions

Non-current

Landfill restoration

	2018	2017
	\$	\$
	5,943,417	5,738,237
	<u>5,943,417</u>	<u>5,738,237</u>

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

Key assumptions	2018	2017
- discount rate	3.39%	3.43%
- index rate	2.50%	2.50%
- inflation rate	2.50%	2.50%
- settlement rate	29yrs	30yrs
-estimated cost to rehabilitate	6,087,320	5,943,417

4.6 Financing arrangements

Secured bank loans at fixed interest rates:

	2018	2017
	\$	\$
Facility available	986,866	1,354,512
Used facility	<u>986,866</u>	<u>1,354,512</u>
Unused facility	<u>-</u>	<u>-</u>

Secured bank overdraft subject to annual review and repayable at call:

Facility available	400,000	400,000
Used facility	-	-
Unused facility	<u>400,000</u>	<u>400,000</u>

Should the bank overdraft be utilised the liability would be secured by a mortgage over the general rates of Council.

Notes to Financial Report
For the Year Ended 30 June 2018

4.7 Commitments

2018	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 \$
Operating					
Cleaning buildings and services	104,367	17,849			122,216
Garbage and recycling collection	925,048	952,799	3,033,357	1,072,383	5,983,587
Environment	15,250	5,625			20,875
Insurance	21,000	22,050			43,050
Internal audit	26,100				26,100
Landfill	42,893	40,694	44,625		128,212
Library	63,506				63,506
Management services	12,656				12,656
Photocopiers and printers	49,246	49,246	79,038		177,530
Street Lighting	22,486				22,486
Street sweeping	90,904	90,904	181,808		363,616
Telecommunications	6,942				6,942
Total	1,380,398	1,179,167	3,338,828	1,072,383	6,970,776
Capital					
Buildings & improvements	868,386				868,386
Bridges	61,714				61,714
Drainage	4,475				4,475
Footpaths and cycleways	36,591				36,591
Plant and equipment	44,880				44,880
Roads	36,151				36,151
Software	72,370	56,500			128,870
Total	1,124,567	56,500	-	-	1,181,067

2017	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 \$
Operating					
Cleaning buildings and streets	86,157	92,185	15,365	-	193,707
Garbage and recycling collection	898,105	925,048	2,945,007	2,113,532	6,881,692
Internal audit	27,550	26,100	-	-	53,650
Insurance	20,000	21,000	22,050	-	63,050
Landfill	39,114	42,893	85,319	-	167,326
Library	6,966	-	-	-	6,966
Photocopiers and printers	49,246	49,246	128,284	-	226,776
Software	99,609				99,609
Street sweeping	90,904	90,904	272,712	-	454,520
Telecommunications	82,270	6,942	-	-	89,212
Valuation	7,944	-	-	-	7,944
Total	1,407,865	1,254,318	3,468,737	2,113,532	8,244,452
Capital					
Buildings & improvements	4,415	-	-	-	4,415
Bridges	626,583	-	-	-	626,583
Footpaths and cycleways	230,187	-	-	-	230,187
Heritage and cultural	50,662	-	-	-	50,662
Plant and equipment	486,975	-	-	-	486,975
Software	45,600	56,500	56,500	-	158,600
Total	1,444,422	56,500	56,500	-	1,557,422

Operating lease commitments

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

	2018 \$	2017 \$
Not later than one year	120,131	116,431
Later than one year and not later than five years	133,349	136,579
Later than five years	211,168	18,326
	<u>464,648</u>	<u>271,336</u>

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

Notes to Financial Report
For the Year Ended 30 June 2018

Note 5 Assets we manage

2018 **2017**
\$ **\$**

5.1 Non-Current assets classified as held for sale

Land	217,047	217,047
	217,047	217,047

A non-current asset classified as held for sale is measured at the lower of its carrying amount and fair value less costs to sell, and is not subject to depreciation. Non-current assets held for sale are treated as current and classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset's sale is expected to be completed within 12 months from the date of classification.

5.2 Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment

	At Fair Value 30-June-2017	Acquisitions	Contributions	Revaluations	Depreciation	Disposals	Transfers	At Fair Value 30-June-2018
Land	33,961,352	-	917	11,370,852	-	-	-	45,333,121
Buildings	63,026,740	984,470	-	1,340,763	(2,623,901)	(147,116)	795,138	63,376,094
Plant and Equipment	4,752,097	1,552,770	10,000	-	(842,503)	(165,700)	-	5,306,664
Infrastructure	203,241,279	4,117,281	286,263	23,510,578	(4,841,695)	(192,138)	292,033	226,413,601
Works in Progress	1,300,353	920,192	-	-	-	-	(1,087,171)	1,133,374
	306,281,821	7,574,713	297,180	36,222,193	(8,308,099)	(504,954)	-	341,562,854

Notes to Financial Report
For the Year Ended 30 June 2018

5.2 Property, infrastructure, plant and equipment (Cont.)

Summary of Works in Progress

	Opening WIP	Additions	Transfers	Closing WIP
Buildings	847,153	861,136	(795,138)	913,151
Infrastructure	453,200	59,056	(292,033)	220,223
Total	1,300,353	920,192	(1,087,171)	1,133,374

Asset recognition thresholds and depreciation periods

	Depreciation Years	Threshold Limit
Land		1
Land under roads		1
Buildings	30 to 80	5,000
Plant and Equipment		
fixtures, fittings and furniture	4 to 20	2,000
computers and telecommunications	4 to 10	2,000
heritage and cultural	20 to 200	1,000
library materials	3 to 10	1,000
plant ,machinery and equipment	3 to 15	2,000
Infrastructure		
bridges	30 to 100	7,500
drainage	50 to 100	5,000
footpaths and cycleways	20 to 70	5,000
road formations and earthworks	100 to 200	5,000
road pavements	20 to 40	5,000

Notes to Financial Report
For the Year Ended 30 June 2018

5.2 Property, infrastructure, plant and equipment (Cont.)

(a) Property

	Land - specialised	Land - non specialised	Land Under Roads	Total Land	Buildings - specialised	Buildings - non specialised	Total Buildings	Work In Progress	Total Property
At fair value 1 July 2017	24,883,347	4,627,349	4,450,656	33,961,352	82,694,910	21,199,344	103,894,254	847,153	138,702,759
Accumulated depreciation at 1 July 2017	-	-	-	-	(32,246,270)	(8,621,244)	(40,867,514)	-	(40,867,514)
	24,883,347	4,627,349	4,450,656	33,961,352	50,448,640	12,578,100	63,026,740	847,153	97,835,245
Movements in fair value									
Acquisition of assets at fair value	-	-	917	917	708,206	276,264	984,470	861,136	1,846,523
Revaluation increments/decrements	995,334	185,094	10,190,424	11,370,852	1,762,210	638,115	2,400,325	-	13,771,177
Fair value of assets disposed	-	-	-	-	(488,577)	-	(488,577)	-	(488,577)
Transfers	-	-	-	-	791,859	3,279	795,138	(795,138)	-
	995,334	185,094	10,191,341	11,371,769	2,773,698	917,658	3,691,356	65,998	15,129,123
Movements in accumulated depreciation									
Depreciation and amortisation	-	-	-	-	(2,132,708)	(491,193)	(2,623,901)	-	(2,623,901)
Accumulated depreciation of disposals	-	-	-	-	341,461	-	341,461	-	341,461
Revaluation increments/decrements	-	-	-	-	(720,671)	(267,121)	(987,792)	-	(987,792)
Impairment losses recognised in revaluation reserve	-	-	-	-	(71,770)	-	(71,770)	-	(71,770)
	-	-	-	-	(2,583,688)	(758,314)	(3,342,002)	-	(3,342,002)
At fair value 30 June 2018	25,878,681	4,812,443	14,641,997	45,333,121	85,468,608	22,117,002	107,585,610	913,151	153,831,882
Accumulated depreciation at 30 June 2018	-	-	-	-	(34,829,958)	(9,379,558)	(44,209,516)	-	(44,209,516)
	25,878,681	4,812,443	14,641,997	45,333,121	50,638,650	12,737,444	63,376,094	913,151	109,622,366

Notes to Financial Report
For the Year Ended 30 June 2018

5.2 Property, infrastructure, plant and equipment (Cont.)

(b) Plant and Equipment

	Heritage plant and equipment	Plant machinery and equipment	Fixtures fittings and furniture	Library books	Total plant and equipment
At fair value 1 July 2017	345,787	7,046,941	1,906,184	812,693	10,111,605
Accumulated depreciation at 1 July 2017	(27,127)	(3,766,368)	(1,203,431)	(362,582)	(5,359,508)
	318,660	3,280,573	702,753	450,111	4,752,097
Movements in fair value					
Acquisition of assets at fair value	10,000	1,354,170	95,254	103,346	1,562,770
Fair value of assets disposed	-	(736,444)	(46,291)	(87,502)	(870,237)
	10,000	617,726	48,963	15,844	692,533
Movements in accumulated depreciation					
Depreciation and amortisation	(4,957)	(579,594)	(166,243)	(91,709)	(842,503)
Accumulated depreciation of disposals	-	570,744	46,291	87,502	704,537
	(4,957)	(8,850)	(119,952)	(4,207)	(137,966)
At fair value 30 June 2018	355,787	7,664,667	1,955,147	828,537	10,804,138
Accumulated depreciation at 30 June 2018	(32,084)	(3,775,218)	(1,323,383)	(366,789)	(5,497,474)
	323,703	3,889,449	631,764	461,748	5,306,664

Notes to Financial Report
For the Year Ended 30 June 2018

5.2 Property, infrastructure, plant and equipment (Cont.)

(c) Infrastructure

	Roads	Bridges	Footpaths and cycleways	Drainage	Work In Progress	Total Infrastructure
At fair value 1 July 2017	223,103,591	54,701,604	10,820,636	18,158,806	453,200	307,237,837
Accumulated depreciation at 1 July 2017	(77,196,340)	(18,472,685)	(3,336,415)	(4,537,918)	-	(103,543,358)
	145,907,251	36,228,919	7,484,221	13,620,888	453,200	203,694,479
Movements in fair value						
Acquisition of assets at fair value	3,205,866	813,793	243,392	140,493	59,056	4,462,600
Revaluation increments/decrements	(8,134,700)	6,195,114	1,239,171	2,049,521	-	1,349,106
Fair value of assets disposed	-	(375,861)	-	-	-	(375,861)
Transfers	118,039	173,994	-	-	(292,033)	-
	(4,810,795)	6,807,040	1,482,563	2,190,014	(232,977)	5,435,845
Movements in accumulated depreciation						
Depreciation and amortisation	(3,621,468)	(604,208)	(418,392)	(197,627)	-	(4,841,695)
Accumulated depreciation of disposals	-	183,723	-	-	-	183,723
Revaluation increments/decrements	25,228,425	(2,116,034)	(420,538)	(530,381)	-	22,161,472
	21,606,957	(2,536,519)	(838,930)	(728,008)	-	17,503,500
At fair value 30 June 2018	218,292,796	61,508,644	12,303,199	20,348,820	220,223	312,673,682
Accumulated depreciation at 30 June 2018	(55,589,383)	(21,009,204)	(4,175,345)	(5,265,926)	-	(86,039,858)
	162,703,413	40,499,440	8,127,854	15,082,894	220,223	226,633,824

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 detailed below have been applied when recognising assets within an applicable asset class. These are consistent with the prior year.

Land under roads

Council recognises land under roads it controls at fair value.

Depreciation and amortisation

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

Where infrastructure 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.

Major depreciation periods used are listed below and are consistent with the prior year unless otherwise stated:

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.

Property, infrastructure, plant and equipment (cont'd)

Valuation of land and buildings

Valuation of land and buildings were undertaken at 30 June 2015 by a qualified independent valuers Marcus Hann valuer registration number 62901 and David Elford valuer registration number 62990. Based on information from the valuers an indexation valuation was applied for 2017/18 being 4% land and 3% buildings level 2 (2.1% level 3). The valuation of land and buildings is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Where land use is restricted through existing planning provisions the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

Specialised land is valued at fair value using site values adjusted for englobo (undeveloped and/or unserviced) characteristics, access rights and private interests of other parties and entitlements of infrastructure assets and services. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

Land under roads is valued at fair value. Fair value is based on valuations at 30 June 2018 for land under roads in existence at that date, using site values adjusted for englobo (undeveloped and/or unserviced) characteristics, access rights and private interests of other parties and entitlements of infrastructure assets and services. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement. Valuation of land under roads was undertaken by a qualified independent valuer Marcus Hann valuer registration number 62901.

Any significant movements in the unobservable inputs for land and land under roads will have a significant impact on the fair value of these assets.

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2018 are as follows:

	Level 1	Level 2	Level 3	Date of Valuation
Land	-	4,812,443	25,878,681	30-June-2015
Land Under Roads	-	-	14,641,997	30-June-2018
Buildings	-	12,737,444	50,638,650	30-June-2015
Total	-	17,549,887	91,159,328	

Valuation of infrastructure

Valuation of infrastructure assets has been determined in accordance with a valuation undertaken as detailed in the following table. An indexed based revaluation was conducted using ABS data for all infrastructure asset classes not fully revalued in the current year. Infrastructure assets are fully revalued every 3-5 years.

Details of the Council's infrastructure and information about the fair value hierarchy as at 30 June 2018 are as follows:

	Level 1	Level 2	Level 3	DoV	Valuer
Roads	-	-	162,703,413	01-July-2017	Council Officer John Canny A.A.I.Q.S
Bridges	-	-	40,499,440	30-June-2014	Pitt and Sherry Pty Ltd
Footpaths and cycleway	-	-	8,127,854	30-June-2017	Council Officer John Canny A.A.I.Q.S
Drainage	-	-	15,082,894	30-June-2015	Council Officer John Canny A.A.I.Q.S
Total	-	-	226,413,601		

Description of significant unobservable inputs into level 3 valuations

Specialised land and land under roads is valued using a market based direct comparison technique. Significant unobservable inputs include the extent and impact of restriction of use and the market cost of land per square metre. The extent and impact of restrictions on use varies and results in a reduction to surrounding land values between 25% and 95%. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values range between \$1 and \$295 per square metre.

Specialised buildings are valued using a depreciated replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement cost is calculated on a square metre basis and range from \$100 to \$15,000 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 8 years to 80 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.

Infrastructure assets are valued based on the depreciated replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives. The remaining useful lives of infrastructure assets are determined on the basis of the current condition of the asset and vary from 20-200 years. Replacement cost are 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.

	2018	2017
	\$	\$
Reconciliation of specialised land		
Active recreation	7,270,633	6,990,994
Community centres and hall reserves	1,524,543	1,465,907
Land under roads	14,641,997	4,450,656
Other	4,784,040	4,600,038
Passive recreation	10,087,596	9,699,611
Waste management	2,211,869	2,126,797
Total specialised land	40,520,678	29,334,003

5.3 Investment in associates, joint arrangements and subsidiaries

Committees of management

All entities controlled by Council that have material revenues, expenses, assets or liabilities, such as committees of management, have been included in this financial report. Any transactions between these entities and Council have been eliminated in full.

Note 6 People and relationships

6.1 Council and key management remuneration

(a) Related Parties

Parent entity
Murrumbidgee Council is the parent entity

Subsidiaries and Associated
There are no subsidiaries and associates

(b) Key Management Personnel

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

Councillors	Councillor - Charlotte Bisset - Mayor Councillor - Sandice McAulay -Deputy Mayor Councillor - Margaret Rae Councillor - Eric Lording Councillor - Rebecca Bowles Councillor - Jackie Ashe Councillor - Leigh Dunscombe
Officers	Chief Executive Officer - Margaret Abbey - 01/07/2017 - 27/06/2018 Interim Chief Executive Officer - Craig Lloyd - 08/01/2018 - 30/06/2018 GM Corporate & Community Services - Michael Chesworth GM Infrastructure & Development Services - Stuart McConnell

	2018 No.	2017 No.
Total Number of Councillors	7	11
Chief Executive Officer and other Key Management Personnel	4	4
Total Key Management Personnel	<u>11</u>	<u>15</u>

(c) Remuneration of Key Management Personnel

Total remuneration of key management personnel was as follows:

	2018 \$	2017 \$
Short-term benefits	877,841	715,862
Long-term benefits	24,213	5,667
Termination benefits		
Total	<u>902,054</u>	<u>721,529</u>

The numbers of key management personnel whose total remuneration from Council and any related entities, fall within the following bands

	2018 No.	2017 No.
\$0 - \$9,999	-	4
\$10,000 - \$19,999	-	4
\$20,000 - \$29,999	6	1
\$30,000 - \$39,999	-	1
\$40,000 - \$49,999	-	2
\$60,000 - \$69,999	1	-
\$70,000 - \$79,999	-	1
\$90,000 - \$99,999	1	-
\$160,000 - \$169,999	1	-
\$170,000 - \$179,999	-	1
\$180,000 - \$189,999	1	-
\$240,000 - \$249,999	-	1
\$250,000 - \$259,999	1	-
	<u>11</u>	<u>15</u>

6.1 Council and key management remuneration (Cont.)

(d) Senior Officers 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 \$145,000

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

Income Range:	2018 No.	2017 No.
\$145,000 - \$149,999	4	3
\$150,000 - \$159,999	1	2
Total Senior Officers	5	5
	\$	\$
Total Remuneration for the reporting year for Senior Officers included above, amounted to:	740,619	741,866

6.2 Related party disclosure

(a) Transactions with related parties

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

- 1. Alexandra Hotel - 3 Transactions of \$284 for catering of Council or community events.
- 2. Continuing Education & Arts Centre of Alexandra Inc. - 3 Transactions totalling \$23,026 for the provision of staff training and the auspicing of the L2P & Through the Ages Community Programs.

All transactions entered into were made under the appropriate delegation, with any conflict of interest appropriately declared and reported.

(b) Outstanding balances with related parties

No balances were outstanding at the end of the reporting period in relation to transactions with related parties

(c) Loans to/from related parties

No loans are in existence as at 30 June 2018 between Council and any related party, nor were any loan transactions entered into during the 2017/18 financial year.

(d) Commitments to/from related parties

No commitments are in existence as at 30 June 2018 between Council and any related party, nor were any commitments made during the 2017/18 financial year.

Note 7 Managing uncertainties

7.1 Contingent liabilities and contingent assets

(a) Contingent assets

There were no contingent assets as at 30 June 2018 (2017 Nil)

Operating lease receivables

The Council has entered into commercial property leases on its Caravan Parks and other property assets. These properties held under operating leases have remaining non-cancellable lease terms of between 1 and 99 years.

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

	2018	2017
	\$	\$
Later than one year and not later than five years	147,473	127,392
Later than five years	605,737	532,808
	1,458,636	1,581,377
	2,211,846	2,241,577

(b) Contingent liabilities

Superannuation

Council has obligations under a defined benefit superannuation scheme that may result in the need to make additional contributions to the scheme. Matters relating to this potential obligation are below. As a result of the volatility in financial markets the likelihood of making such contributions in future periods exists.

Legal Liabilities

As these matters are yet to be finalised, and the financial outcomes are unable to be reliably estimated, no allowance for these contingencies has been made in the financial report.

7.2 Change in accounting standards

The following new AAS's have been issued that are not mandatory for the 30 June 2018 reporting period. Council has assessed these pending standards and has identified the following potential impacts will flow from the application of these standards in future reporting periods.

Revenue from contracts with customers (AASB 15) (applies 2019/20 for LG sector)

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

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

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

Leases (AASB 16) (applies 2019/20)

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

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

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

Financial Instruments - Disclosures (AASB 7) (applies 2018/19)

This Standard requires entities to provide disclosures in their financial statements that enable users to evaluate: (a) the significance of financial instruments for the entity's financial position and performance; and (b) the nature and extent of risks arising from financial instruments to which the entity is exposed.

Financial Instruments (AASB 9) (applies 2018/19)

The key changes include the simplified requirements for the classification and measurement of financial assets, a new hedging accounting model and a revised impairment loss model to recognise impairment losses earlier, as opposed to the current approach that recognises impairment only when incurred.

7.3 Financial Instruments

(a) Objectives and policies

The Council's principal financial instruments comprise cash assets, term deposits, receivables excluding statutory receivables and payables including bank borrowings but excluding statutory payables. Details of the significant accounting policies and methods are disclosed in Note 1 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 only insignificant exposure to other price risks and no exposure to foreign currency risk.

Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Council has minimal exposure to cash flow interest rate risk through its cash and deposits that are at floating rate.

Investment of surplus funds is made with approved financial institutions under the Local Government Act 1989. Council manages interest rate risk by adopting an investment policy that ensures:

- diversification of investment product,
- monitoring of return on investment, and
- benchmarking of returns and comparison with budget.

There has been no significant change in the Council's exposure, or its objectives, policies and processes for managing interest rate risk or the methods used to measure this risk from the previous reporting period.

Interest rate movements have not been sufficiently significant during the year to have a material 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. To help manage this risk:

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

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

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

(c) Credit risk (cont.)

Council may also be subject to credit risk for transactions which are not included in the balance sheet, such as when Council provides a guarantee for another party. Details of our contingent liabilities are disclosed in note 7.1(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.

7.3 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 help reduce these risks Council:

- has an investment policy which requires that only surplus funds are invested in financial assets;
- has readily accessible standby facilities and other funding arrangements in place;
- has a liquidity portfolio structure that requires surplus funds to be invested within various bands of liquid instruments;
- monitors budget to actual performance on a regular basis; and
- sets limits on borrowings relating to the percentage of loans to rate revenue and percentage of loan principal repayments to rate revenue.

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

There has been no significant change in Council's exposure, or its objectives, policies and processes for managing liquidity risk or the methods used to measure this risk from the previous reporting period.

With the exception of borrowings, all financial liabilities are expected to be settled within normal terms of trade. Details of the maturity profile for
Unless otherwise stated, the carrying amount of financial instruments reflect their fair value

(e) Sensitivity disclosure analysis

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

- A parallel shift of +0.25% and -0.25% in market interest rates (AUD) from year-end rates of 1.5%.

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

Notes to Financial Report For the Year Ended 30 June 2018

7.4 Fair value measurement

Fair value hierarchy

Council's financial assets 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 a fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

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

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

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

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

Revaluation

Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment, furniture and equipment, library books and heritage assets, 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, 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 in Note 5.2, Property, infrastructure, plant and equipment.

In addition, Council undertakes a formal revaluation of land, buildings and infrastructure assets on a regular basis ranging from 3 to 5 years.

The valuation is performed either by experienced council officers or an independent expert valuer.

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 this 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 assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the comprehensive income statement, unless the asset is carried at the revalued amount in which case, the impairment loss is recognised directly against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

7.5 Events occurring after balance date

No matters have occurred after balance date that require disclosure in the financial report.

**Notes to Financial Report
For the Year Ended 30 June 2018**

Note 8 Other Matters

8.1 Reserves

	2018 \$	2017 \$
Asset revaluation reserves (a)	219,166,553	182,944,361
Other reserves (b)	17,076,289	15,694,692
	<u>236,242,842</u>	<u>198,639,053</u>

	Balance at beginning of reporting period \$	Increment (decrement) \$	Balance at end of reporting period \$
(a) Asset revaluation reserves	\$	\$	\$
2018			
Property			
Land	25,058,633	1,180,428	26,239,061
Land under roads	884,981	10,190,424	11,075,405
Buildings	27,057,541	1,340,763	28,398,304
	<u>53,001,155</u>	<u>12,711,615</u>	<u>65,712,770</u>
Infrastructure			
Bridges	4,559,345	4,079,080	8,638,425
Drainage	9,229,706	1,519,140	10,748,846
Footpaths and cycleways	5,142,459	818,633	5,961,092
Roads	111,011,695	17,093,725	128,105,420
	<u>129,943,205</u>	<u>23,510,578</u>	<u>153,453,783</u>
Total Asset revaluation reserves	<u>182,944,360</u>	<u>36,222,193</u>	<u>219,166,553</u>
2017			
Property			
Land	21,896,772	3,161,861	25,058,633
Land under roads	884,981	-	884,981
Buildings	25,890,178	1,167,363	27,057,541
	<u>48,671,931</u>	<u>4,329,224</u>	<u>53,001,155</u>
Infrastructure			
Bridges	4,559,345	-	4,559,345
Drainage	9,229,706	-	9,229,706
Footpaths and cycleways	4,241,667	900,792	5,142,459
Roads	111,011,695	-	111,011,695
	<u>129,042,413</u>	<u>900,792</u>	<u>129,943,205</u>
Total Asset revaluation reserves	<u>177,714,344</u>	<u>5,230,016</u>	<u>182,944,360</u>

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

**Notes to Financial Report
For the Year Ended 30 June 2018**

8.1 Reserves (cont.)	Balance at beginning of reporting period	Transfer from accumulated surplus	Transfer to accumulated surplus	Balance at end of reporting period
(b) Other reserves	\$	\$	\$	\$
2018				
Statutory Reserves				
Public Open Space	462,254	24,750	-	487,004
	-			
Discretionary Reserves				
Alexandra Community Leisure Centre	20,802	-	(20,802)	0
Defined Benefits Superannuation	1,050,000	150,000	-	1,200,000
Gifted and Novated Assets	920,000	-	-	920,000
Infrastructure Contributions Parking	41,080	-	-	41,080
Infrastructure Balance MAP funding	516,378	-	(17,950)	498,428
Infrastructure Maintenance	1,016,760	109,370	(86,000)	1,040,130
Infrastructure Unexpended Capital Works	1,073,692	-	(283,713)	789,979
Landfill and Waste Management	6,197,679	1,921,967	(335,135)	7,784,511
Marysville Caravan Park	149,784	61,204	(121,866)	89,122
New and Expanded Assets	4,122,936	-	(82,404)	4,040,532
Marysville Community Fund	63,531	-	-	63,531
Road Maintenance - Subdividers Contribution	16,044	-	-	16,044
Shaw Avenue Redevelopment	43,752	-	-	43,752
Yea Caravan Park	-	7,358	(7,358)	-
Yea Saleyards	-	139,986	(77,810)	62,176
Total Other reserves	15,694,692	2,414,635	(1,033,038)	17,076,289

	Balance at beginning of reporting period	Transfer from accumulated surplus	Transfer to accumulated surplus	Balance at end of reporting period
	\$	\$	\$	\$
2017				
Statutory Reserves				
Public Open Space	423,754	38,500	-	462,254
Discretionary Reserves				
Alexandra Community Leisure Centre	13,106	7,696	-	20,802
Defined Benefits Superannuation	900,000	150,000	-	1,050,000
Gifted and Novated Assets	920,000	-	-	920,000
Infrastructure Contributions Parking	41,080	-	-	41,080
Infrastructure Balance MAP funding	434,022	82,356	-	516,378
Infrastructure Maintenance Reserve	734,760	282,000	-	1,016,760
Infrastructure Unexpended Capital Works	491,273	582,419	-	1,073,692
Landfill and Waste Management	5,620,300	1,435,215	(857,836)	6,197,679
Marysville Caravan Park	92,891	60,670	(3,777)	149,784
New and Expanded Assets	3,816,268	331,613	(24,945)	4,122,936
Marysville Community Fund	63,531	-	-	63,531
Road Maintenance - Subdividers Contribution	16,044	-	-	16,044
Shaw Avenue Redevelopment	43,752	-	-	43,752
Yea Saleyards	336,064	158,751	(494,815)	-
Total Other reserves	13,946,845	3,144,950	(1,397,103)	15,694,692

8.1 Reserves (cont.)

Alexandra Community Leisure Centre reserve will cease to operate in 2018/19.

Defined Benefits reserve has been created to meet any obligations for future funding calls from the Vision Super Defined Benefits Superannuation Fund.

Gifted and Novated reserve is funds set aside from State Government funding for new assets gifted after the 2009 bushfires.

Infrastructure Maintenance Reserve represents funds set aside for addressing council's long term infrastructure renewal obligations.

Infrastructure Contributions reserve represents payments from Subdividers set aside for future infrastructure works relating to provision of car parking.

Infrastructure balance MAP represents the final payment received from State Government related to the Murrumbidgee Assistance Package.

Infrastructure Unexpended Capital works relate to carried forward items from 2017/18 that will be completed in early 2018/19.

Landfill and waste management reserve represents funds set aside for rehabilitation of Landfill site. The reserve is to be utilised for future works to maximise life of the landfill site (eg. cell construction, cell capping and Leachate management over the next 10 years)

Marysville Caravan Park reserve is surplus operational funds set aside for future capital works.

Marysville Community Fund are funds set aside from sale of Council assets in Marysville that are to be reinvested in infrastructure in Marysville.

New and Expanded assets reserve represents funds set aside for future capital works on assets gifted following the 2009 bushfires.

Public Open Space represents payments from subdividers as specified under the Subdivisions Act, to fund future creation of areas of recreational land.

Road Maintenance reserve consists of contributions from subdividers to future road maintenance cost impacted by respective subdivisions.

Shaw Avenue reserve represents funds set aside for redevelopment of remaining land.

Yea Caravan Park reserve is surplus operational funds set aside for future capital works.

Yea Saleyards reserve is surplus operational funds set aside for future capital works.

8.2 Reconciliation of cash flows from operating activities to surplus

	2,018	2,017
	\$	\$
Surplus for the financial year	2,611,999	3,266,835
Depreciation and amortisation	8,861,522	8,959,143
Contributions - non-monetary	(297,180)	(554,912)
Finance Costs	83,111	222,937
(Gain)/loss on disposal of property, plant and equipment, infrastructure	255,167	525,708
Change in assets and liabilities:		
(Increase)/Decrease in trade and other receivables	(1,926,864)	260,783
(Increase)/Decrease in inventories	13,972	(4,221)
(Increase)/Decrease in other current assets	28,867	(362,365)
Increase/(Decrease) in trade and other payables	1,144,442	(1,109,200)
Increase/(Decrease) in trust funds and deposits	133,544	21,510
Increase in provisions	159,224	440,965
Net cash provided by operating activities	11,067,804	11,667,183

8.3 Superannuation

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

Accumulation

The Fund's accumulation categories, Vision My Super/Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of employee earnings for the year ended 30 June 2018, this was 9.5% as required under Superannuation Guarantee legislation.

Defined Benefit

Murrumbidgee Shire 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 Murrumbidgee Shire 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

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2019 is \$50381.

Funding Arrangements

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

As at 30 June 2017, a triennial/full actuarial investigation was completed. The vested benefit index (VBI) of the Defined Benefit category of which Council is a contributing employer was 103.1%. The financial assumptions used to calculate the VBIs were:

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

Vision Super has advised that the estimated VBI at 30 June 2018 was 106%.

The VBI is to be used as the primary funding indicator. Because the VBI was above 100%, the 2017 interim actuarial investigation determined the Defined Benefit category was in a satisfactory financial position and that no change was necessary to the Defined Benefit category's funding arrangements from prior years.

Employer contributions

Regular contributions

On the basis of the results of the 2017 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 2018, this rate was 9.5% of members' salaries (9.5% in 2016/2017). This rate will increase in line with any increase to the contribution rate. In addition, Council reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit.

8.3 Superannuation (Cont.)

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 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.

2017 triennial actuarial investigation.

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

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

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2017. 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 the expected future benefits and expenses. as at June 2017.

The total service liability surplus means that the current value of the assets in the Fund's Defined Benefit category plus expected future contributions exceeds the value of expected future benefits and expenses as at 30 June 2017

The discounted accrued benefit surplus means that the current value of the assets in the Fund's Defined Benefit category plus expected future contributions exceeds the value of the expected future benefits and expenses as at 30 June 2017

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

2018 Interim actuarial investigation

An interim actuarial investigation is being conducted for the Fund's position as at 30 June 2018 as the Fund provides lifetime pensions in the Defined Benefit category. It is anticipated that this actuarial investigation will be completed by October 2018.

Enterprise bargaining agreement

Staff employed under Councils Enterprise Bargaining Agreement are entitled to additional superannuation depending on years of service as outlined below;

- Years of service between 10- 15 1%
- Years of service greater than 15 2%

Description of Municipality

Murrindindi Shire Council ("the Council") is situated 150 kms or 90 minutes north-east of Melbourne.

The Wurundjeri tribe and the Taungurung language speakers are the traditional owners of the land known as the Shire of Murrindindi. European settlement followed Hume and Hovell's overland exploration in December 1824. Many local towns were established during the 1850s and 1860s following the discovery of gold.

The Murrindindi Shire Council was declared on 18 November 1994 by the amalgamation of the former municipalities of Alexandra and Yea, and the addition of parts of the former municipalities of Healesville, Broadford, Eltham, Whittlesea and Euroa.

The main industries of the Shire include agriculture, aquaculture, horticulture, forestry and timber processing, tourism and hospitality, light manufacturing and engineering, retail and trades services, education and public services.

The council covers an area of 3,873 square kilometres, of which 48% is Crown land, and has a population of 14,167 as of the most recent Australian Bureau of Statistics update.

**Notes to Financial Report
 For the Year Ended 30 June 2018**

PERFORMANCE STATEMENT

Sustainable Capacity Indicators

<i>Indicator /measure</i>	Results 2015	Results 2016	Results 2017	Results 2018	Material Variations
Population					
<i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$2,231.08	\$2,287.29	\$2,336.32	\$2,308.21	No material variations for 2017/18.
<i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$20,160.79	\$19,818.00	\$19,937.14	\$21,943.37	Infrastructure values increased in 2017/18 following scheduled re-valuations of roads and land under roads.
<i>Population density per length of road</i> [Municipal population / Kilometres of local roads]	11.33	11.02	11.25	11.43	No material variations for 2017/18.
Own-source revenue					
<i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$1,574.79	\$1,665.55	\$1,701.02	\$1,737.85	No material variations for 2017/18.
Recurrent grants					
<i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$706.49	\$511.28	\$731.86	\$610.62	Recurrent grants received in 2017/18 decreased primarily due to the timing of the Victorian Grants Commission funding.
Disadvantage					
<i>Relative Socio-Economic Disadvantage</i> [Index of Relative Socio-Economic Disadvantage by decile]	8.00	6.00	6.00	6.00	No material variations for 2017/18.

**Notes to Financial Report
 For the Year Ended 30 June 2018**

PERFORMANCE STATEMENT

Service Performance Indicators

Service/indicator /measure	Results 2015	Results 2016	Results 2017	Results 2018	Material Variations
Aquatic Facilities Utilisation <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	1.57	1.42	1.30	1.42	Utilisation of aquatic facilities grew strongly in 2017/18, primarily through increased season ticket holders and at the Alexandra Pool.
Animal Management Health and safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	0.00	2.00	0.00	0.00	No material variations for 2017/18.
Food Safety Health and safety <i>Critical and major non-compliance outcome notifications</i> [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100	100.00%	100.00%	100.00%	100.00%	No material variations for 2017/18.
Governance Satisfaction <i>Satisfaction with council decisions</i> [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	47.00	42.00	41.00	45.00	A 10% increase in community satisfaction for Council decisions is noted for 2017/18.
Libraries Participation <i>Active library members</i> [Number of active library members / Municipal population] x100	16.68%	21.44%	40.25%	20.61%	The result for 2016/17 as reported is incorrect. The correct figure is 22%. The 2017/18 result is consistent with prior years.

**Notes to Financial Report
 For the Year Ended 30 June 2018**

PERFORMANCE STATEMENT

Service/indicator /measure	Results 2015	Results 2016	Results 2017	Results 2018	Material Variations
Maternal and Child Health (MCH)					
Participation					
<i>Participation in the MCH service</i> [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	70.30%	95.28%	98.36%	100.00%	No material variations for 2017/18.
Participation					
<i>Participation in the MCH service by Aboriginal children</i> [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	100.00%	100.00%	100.00%	100.00%	No material variations for 2017/18.
Roads					
Satisfaction					
<i>Satisfaction with sealed local roads</i> [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	52.00	51.00	46.00	42.00	No material variations for 2017/18.
Statutory Planning					
Decision making					
<i>Council planning decisions upheld at VCAT</i> [Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	100.00%	100.00%	66.67%	66.67%	Of the 3 Council planning decisions referred to VCAT in 2017/18, 2 were upheld.
Waste Collection					
Waste diversion					
<i>Kerbside collection waste diverted from landfill</i> [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	36.18%	39.59%	36.30%	34.92%	No material variations for 2017/18.

PERFORMANCE STATEMENT

Financial Performance Indicators

Dimension/indicator/measure	Results	Results	Results	Results	Forecasts				Material Variations
	2015	2016	2017	2018	2019	2020	2021	2022	
Efficiency									
Revenue level									
Average residential rate per residential property assessment [Residential rate revenue / Number of residential property assessments]	\$899.06	\$1,021.57	\$1,076.61	\$1,102.16	\$1,132.21	\$1,146.23	\$1,160.41	\$1,174.77	No material variations for 2017/18.
Expenditure level									
Expenses per property assessment [Total expenses / Number of property assessments]	\$3,192.12	\$3,237.78	\$3,331.23	\$3,358.70	\$3,521.06	\$3,563.64	\$3,612.60	\$3,692.31	No material variations for 2017/18.
Workforce turnover									
Resignations and terminations compared to average staff [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	16.26%	16.10%	11.96%	9.07%	8.60%	8.33%	8.33%	8.33%	No material variations for 2017/18.
Liquidity									
Working capital									
Current assets compared to current liabilities [Current assets / Current liabilities] x100	397.61%	390.20%	537.67%	471.11%	525.89%	514.48%	495.00%	528.28%	Council has revised its debt strategy and is continuing to reduce its levels of borrowing. No new debt has been occurred by Council in the last 5 years.
Unrestricted cash									
Unrestricted cash compared to current liabilities [Unrestricted cash / Current liabilities] x100	73.10%	28.47%	53.47%	73.14%	74.09%	69.60%	61.10%	79.04%	Council has revised its debt strategy and is continuing to reduce its levels of borrowing. No new debt has been occurred by Council in the last 5 years.

PERFORMANCE STATEMENT

PERFORMANCE STATEMENT

Dimension/indicator/measure	Results 2015	Results 2016	Results 2017	Results 2018	Forecasts				Material Variations
					2019	2020	2021	2022	
Obligations									
Asset renewal									
<i>Asset renewal compared to depreciation</i>	51.67%	49.41%	81.63%	53.19%	57.99%	47.54%	43.54%	58.17%	Council's capital works budget for 2017/18 focussed more on upgrade and expansion projects than compared with previous years, resulting in a lower comparison to depreciation levels for the last financial year.
[Asset renewal expense / Asset depreciation] x100									
Loans and borrowings									
<i>Loans and borrowings compared to rates</i>	16.58%	11.09%	7.06%	4.98%	3.25%	2.36%	1.54%	0.74%	Council has revised its debt strategy and is continuing to reduce its levels of borrowing. No new debt has been occurred by Council in the last 5 years.
[Interest bearing loans and borrowings / Rate revenue] x100									
<i>Loans and borrowings repayments compared to rates</i>	6.64%	5.09%	4.12%	2.28%	1.85%	1.42%	1.03%	0.64%	Council has revised its debt strategy and is continuing to reduce its levels of borrowing. No new debt has been occurred by Council in the last 5 years.
[Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100									
Indebtedness									
<i>Non-current liabilities compared to own source revenue</i>	17.36%	30.71%	29.47%	27.74%	28.82%	27.61%	26.46%	25.35%	No material variations for 2017/18.
[Non-current liabilities / Own source revenue] x100									
Operating position									
Adjusted underlying result									
<i>Adjusted underlying surplus (or deficit)</i>	3.51%	-2.55%	6.25%	3.11%	-1.56%	-1.31%	-1.17%	-1.03%	Council recorded another surplus in 2017/18, though again it was strongly influenced by the advance payment from the Victorian Grants Commission that was received in late June. Without this advance payment, Council's operating result would have been close to breakeven, in line with Council's original budget.
[Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x100									
Stability									
Rates concentration									
<i>Rates compared to adjusted underlying revenue</i>	53.66%	60.33%	55.45%	58.66%	60.22%	60.52%	60.80%	61.07%	No material variations for 2017/18.
[Rate revenue / Adjusted underlying revenue] x100									
Rates effort									
<i>Rates compared to property values</i>	0.43%	0.46%	0.47%	0.48%	0.48%	0.50%	0.51%	0.52%	No material variations for 2017/18.
[Rate revenue / Capital improved value of rateable properties in the municipality] x100									

Basis of preparation

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

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

The performance statement presents the actual results for the current year and for the prescribed financial performance indicators and measures, the results forecast by 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 based on the assumptions adopted by council in its budget and strategic resource plan on 27 June 2018. The budget and strategic resource plan includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General Purpose Financial Statements. Council's budget and strategic resource plan are available on Council's website (www.murrindindi.vic.gov.au) or copies are available in all three of Council's offices.

Definitions

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

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

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

"adjusted underlying revenue" means total income other than -

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

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

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

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

"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 the 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 the Act

"Community Care Common Standards" means the Community Care Common Standards for the delivery of HACC services, published from time to time by the Commonwealth

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

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

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

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

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

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

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

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

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

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

"population" means the resident population estimated by Council

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

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

"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 of SEIFA

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

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

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

"target population" has the same meaning as in the Agreement entered into for the purposes of the Home and Community Care Act 1985 of the Commonwealth

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

"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*.

**Notes to Financial Report
For the Year Ended 30 June 2018**

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 (Finance and Reporting) Regulations 2014.



Alan Cassell
Principal Accounting Officer

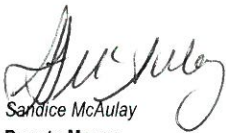
Date: 26-9-18
Alexandra

In our opinion, the accompanying performance statement of Murrindindi Shire Council for the year ended 30 June 2018 presents fairly the results of council's performance in accordance with the *Local Government Act 1989* and the Local Government (Planning and Reporting) Regulations 2014.

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

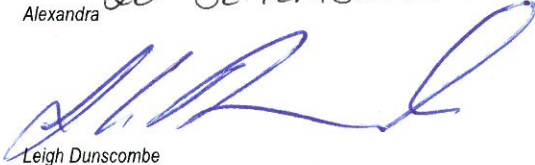
At the date of signing, we are not aware of any circumstances that would render any particulars in the performance statement to be misleading or inaccurate.

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



Sandrice McAulay
Deputy Mayor

Date: 26TH SEPTEMBER 2018
Alexandra



Leigh Dunscombe
Councillor

Date: 26/9/2018
Alexandra



Craig Lloyd
Chief Executive Officer

Date: 26 9/18
Alexandra

Independent Auditor's Report

To the Councillors of Murrindindi Shire Council

Opinion

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

- description of municipality for the year ended 30 June 2018
- sustainable capacity indicators for the year ended 30 June 2018
- service performance indicators for the year ended 30 June 2018
- financial performance indicators for the year ended 30 June 2018
- other information and
- the certification of the performance statement.

In my opinion, the performance statement of Murrindindi Shire Council in respect of the year ended 30 June 2018 presents fairly, in all material respects, in accordance with the performance reporting requirements of Part 6 of the *Local Government Act 1989*.

Basis for Opinion

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

My independence is established by the *Constitution Act 1975*. I and my staff are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the performance statement in Victoria and have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Councillors' responsibilities for the performance statement

The Councillors are responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the *Local Government Act 1989* and for such internal control as the Councillors determines is necessary to enable the preparation and fair presentation of the statement of performance that is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the audit of the performance statement

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the performance statement based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the performance statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Standards on Assurance Engagements will always detect a material misstatement when it exists.

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

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

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

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

MELBOURNE
27 September 2018


Tim Loughnan
as delegate for the Auditor-General of Victoria

Service Provision and Fire Danger Ratings

Title:	Service Provision and Fire Danger Ratings Policy
Type:	Council
Last Adopted:	"[Insert Date Approved / Adopted]"
File No:	18/64241
Attachments:	Nil

1. Purpose

The Service Provision and Fire Danger Rates Policy (Policy) outlines changes to Council's service provision to the community on days predicted to pose the highest fire danger risks to the public.

2. Rationale

Fire Danger Ratings, issued by the Bureau of Meteorology in consultation with fire agencies, predict how dangerous a fire would be if one started. The higher the rating, the more likely a fire will be dangerous. More information on fire danger ratings and preparedness can be found on the [CFA website](#).

A Code Red Rating is the highest Fire Danger Rating, followed by ratings of Extreme and Severe. On Code Red Days the Country Fire Authority (CFA) advises people living in high risk bushfire areas to leave the area the night before or early in the morning and to enact their bushfire survival plans.

Fire Danger Ratings are usually forecast up to four days in advance enabling some level of preparation.

With the exception of the central urban areas of Yea and Alexandra, the Murrindindi Shire is predominantly classified by the State Government as bushfire prone. Consequently, it is anticipated that the public will be on heightened alert on days with the highest Fire Danger Ratings and vigilant for information that assists them in their contingency planning. It is therefore important that information is readily available to the public on Council's preparedness and service availability on such days to aid individual decision making.

Such information is important as Council will operate with altered or reduced service levels on Code Red Days (and may do so on days predicted to be of Severe or Extreme fire danger based on local conditions and/or advice from emergency services) for the following reasons:

- large areas within the Shire considered to be of high bushfire risk
- a need to ensure Council's operations do not unintentionally cause a fire to start
- a need to provide for the safety of Council staff and to ensure that the public is not placed in situations of undue risk when travelling to and accessing Council services
- to ensure sufficient staff resources can be re-deployed to emergency response planning functions and, in the event of a fire event, provision of support to fire combating agencies and emergency relief centres
- a likelihood that some staff will take approved leave on such days to attend to family arrangements and to enact personal bushfire survival plans.

This Policy therefore addresses Council's responsibility to plan and manage for the provision of services and Council information on days with the highest fire danger risks in order to maximise employee and community safety, whilst ensuring appropriate emergency responses can be enacted as required.

Service Provision and Fire Danger Ratings

3. Scope

This Policy applies to all Councillors, employees, contractors, committees and volunteers engaged in Council Business.

This Policy is in operation during the Fire Danger Period as declared by the CFA. The dates of the Fire Danger Period are available from the CFA website and may vary from year to year due to seasonal variation in environmental conditions and rainfall.

This Policy will apply on Code Red days. The Chief Executive Officer (CEO) may also enact parts of this Policy on days with a Severe or Extreme Fire Danger Rating based on advice from emergency services.

4. Definitions

Reference Term	Definition
Fire Danger Period (FDP)	Period of time when the CFA restricts use of fire in the community, and is declared for each municipality at the commencement of the fire season.
Fire Danger Ratings (FDR)	Indicators of how dangerous a fire would be on a particular day if one started and how hard it would be to put out. Fire Danger Ratings are dependent on weather conditions and fuel load. Fire Danger Ratings are forecast for four days in advance.
Total Fire Ban	A Total Fire Ban sets the legal restrictions on what activities can and cannot occur, with the aim to reduce activities that may start a fire. If a Total Fire Ban has not been declared, fire restrictions may still apply for each municipality. Total Fire Bans are normally declared by 5 pm on the day before a ban but can be declared or revoked at any time.

5. Policy

Non-essential Travel and Council Meetings

All travel for Council business on Code Red Days involving Councillors, staff, contractors or volunteers will be kept to an absolute minimum. Travel for the delivery of essential services will be subject to Manager approval. All non-essential travel and meetings will be suspended.

Consequently, several services that typically involve extensive travel to remote sites or through bushfire prone areas will be suspended. These include all mobile library services and non-essential property inspection services associated with planning, building, health and infrastructure approvals.

Council's community safety services will continue to respond to emergency callouts, where there is imminent danger to human life. All non-essential patrols and inspection services will be temporarily postponed.

Due to the extensive travel that may be required by Council personnel and members of the public, any Ordinary or Special meetings of Council that are scheduled on a Code Red Day will be cancelled and re-scheduled. In addition, any scheduled meetings of Delegated Committees of Management (S86) or Council appointed Advisory Committees (S87) will also be cancelled and re-scheduled.

Customer Service Centres and Libraries

Council will, as far as practicable, maintain access to customer services from the Alexandra, Kinglake and Yea Council offices on Code Red Days. Murrindindi Library services will also, where practicable,

Service Provision and Fire Danger Ratings

operate during normal opening hours at the Alexandra, Kinglake and Yea locations. In accordance with the suggested approach regarding non-essential travel, the Mobile Library and Customer Service Van will not operate on Code Red Days.

Infrastructure Works and Waste Management

In order to minimise the risk of unintentionally starting a fire and to avoid non-essential travel all infrastructure maintenance operations and capital works will be suspended on Code Red Days, with staff enacting emergency standby arrangements. Similarly, all Resource Recovery Centres and the Council's landfill site will be closed to the public.

Council's kerbside waste and recycling collection service contractors advise that collection services will generally be maintained on Code Red Days, with some services commencing earlier on the day. Collection services would cease in the event of perceived or immediate risk from fire activity.

Recreation, Parks and Pools

The Alexandra and Yea swimming pools will remain open during normal hours of operation on Code Red Days, subject to qualified staff being available, as these pools are not located in bushfire prone areas. The Eildon and Marysville pools will be closed.

Council managed outdoor recreation reserves, parks and the Great Victorian Rail Trail will remain open, with visitors to these facilities encouraged to be vigilant for fire warning messages from emergency services.

Community Services

Some Community Services will be suspended or altered on Code Red Days. Family Day Care will operate in accordance with Department of Education and Training directives to local primary and secondary education facilities. Child care will continue to be offered, subject to educator availability, in Eildon, Alexandra and Yea. Services based in areas where local schools are directed to close on Code Red Days will not operate.

Maternal and Child Health (MCH) Services in Yea and Alexandra will operate as normal subject to staff availability. MCH Services will not operate in other areas including Eildon, Toolangi, Marysville, Kinglake and Flowerdale, due to the travel involved and the elevated bushfire risk in these areas. Council's Aged and Disability Services will be restricted to essential services on Code Red Days. Council staff will, where possible, contact vulnerable clients informing them of the fire danger and a possible reduction or cessation of services.

Communications

The above represents Council's intended service levels on Code Red Days, and this may apply to days of Severe or Extreme Fire Danger subject to local conditions and advice from emergency services. It is possible that service levels could change from those listed above at short notice due to the prevailing conditions, the presence of a fire emergency and/or lack of available staff on the day.

Therefore, Council will, wherever possible, issue media releases outlining its services available on Code Red Days. Council's website and Facebook page will be updated regularly concerning the availability of Council services prior to and on Code Red Days. Council will also utilise the services of UGFM Local Community Radio to issue bulletins where possible.

6. Related Policies, Strategies and Legislation

- Murrindindi Shire Council and Lake Mountain Alpine Resort Municipal Emergency Management Plan – Section 3.11 – Public Information and Warning.
- Employee Fire Danger Period Policy
- Emergency and Defence Services Leave Policy
- Health and Wellbeing Policy

Service Provision and Fire Danger Ratings

- Enterprise Risk Management Policy
- Occupational Health and Safety Policy
- Ultraviolet Radiation (UV) and Working in Seasonal Heat Policy

7. Council Plan

The Policy relates to the Council Plan 2017-2021 Strategic Objective to work in collaboration with our communities to deliver the best possible outcomes in all that we do.

8. Management and Review

Implementation of this Policy is the responsibility of all Departmental Managers under the direction of the Chief Executive Officer and/or Directors, until such time as the Municipal Emergency Management Plan (MEMP) is enacted which may override this Policy during declared emergencies.

The Policy will be reviewed by the Director Corporate and Shared Services in November 2020.

9. Consultation

There has been no community consultation undertaken in development of this Policy.

10. Human Rights Charter

This Policy has been developed with consideration of the requirements under the Charter of Human Rights and Responsibilities.



|||||
Maddocks

S11A. Instrument of Appointment and Authorisation (Planning and Environment Act 1987)

Murrindindi Shire Council

**Instrument of Appointment and Authorisation
(*Planning and Environment Act 1987* only)**



**Instrument of Appointment and Authorisation
(Planning and Environment Act 1987)**

In this instrument "officer" means -

- “CCS” means Coordinator Community Safety – Chris Price
- “CSO” means Community Safety Officer – Casey Southurst, Josephine Noble
- “CSP” means Coordinator Statutory Planning – Karen Girvan
- “DA&D” means Director Assets & Development – Stuart McConnell
- “MDS” means Manager Development Services – Darren Jackson
- “POS” means Senior Planning Officer – Melissa Crane
- “PO” means Planning Officer – Nicole Grey
- “PTO” means Planning Technical Officer – Nicole Maguire
- “SPO” means Statutory Planning Officer – Clara Gartland

By this instrument of appointment and authorisation Murrindindi Shire Council -

1. under section 147(4) of the *Planning and Environment Act 1987* - appoints the officers to be authorised officers for the purposes of the *Planning and Environment Act 1987* and the regulations made under that Act; and

[DA&D, MDS, CCS, CSP, CSO, PO, POS, PTO, SPO]

2. under section 232 of the *Local Government Act 1989* authorises the officers generally to institute proceedings for offences against the Acts and regulations described in this instrument.

[DA&D, MDS, CSP, POS]

It is declared that this instrument -

- (a) comes into force immediately upon its execution;
- (b) remains in force until varied or revoked.

This instrument is authorised by a resolution of the Murrindindi Shire Council on

DATED this day of 2018

THE COMMON SEAL OF THE MURRINDINDI)
SHIRE COUNCIL was hereunto affixed in the)
presence of:)

Chief Executive Officer

