

Murrindindi
Shire Council

ANNUAL REPORT 2016 - 2017



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About this Annual Report

The *Murrindindi Shire Council Annual Report 2016-2017* includes the final report for the Council Plan 2013-2017. It details progress we have made in the final year of the Plan (1 July 2016 to 30 June 2017) and in relation to the 2016-2017 *Annual Budget*.

In this report we identify our achievements and challenges over the last year and progress against goals set out in the Council Plan.

This Report also contains audited financial reports and performance statements, as required by the *Local Government Act 1989* and 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 2016-2017*, or if you have any questions or feedback about this Report, please email us at msc@murrindindi.vic.gov.au or mail to Chief Executive Officer, Murrindindi Shire Council, PO Box 138, Alexandra 3714.

Contact us

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Kinglake

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Yea

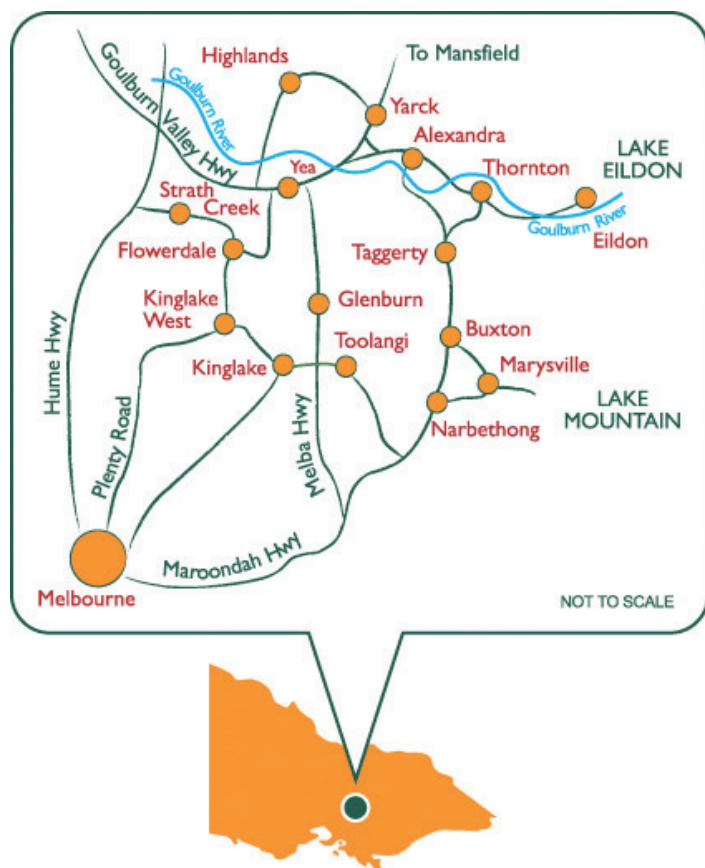
Civic Centre, Semi Circle, Yea

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ABOUT THIS REPORT



Murrindindi snapshot



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 Service

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

Our history

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

Our Shire

Location: 150 kms or 90 minutes north east of Melbourne

Area: 3,873 square kilometres (48% Crown Land)

Population: 13,736 (2016 Australian Bureau of Statistics)

Councillors: 7

Rateable Properties: 9,660

Sealed Roads (Council maintained): 492 kilometres

Unsealed Roads (Council maintained): 737 kilometres

Townships & 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

Murrindindi Shire will be vibrant and progressive through strong connected communities within a healthy and attractive environment.

Values

- **Integrity** – We will be respectful, open and truthful in our dealings. Council will strive to be valued and trusted by the Murrindindi Shire community.
- **Accountability** – We will accept responsibility for our actions and be consistent in the application of our principles, policies and processes.
- **Innovation** – We will consider new ideas, opportunities and better ways of doing things. Council will constantly seek opportunities to look for new, more efficient and effective ways of providing its services.
- **Respect** – We will respect other people and their opinions and do as we say we will.
- **Service Excellence** – We will ensure that Council services meet quality, cost and efficiency standards; are responsive to need; accessible to members of the community for whom the service is intended; and demonstrate continuous improvement.

Message from Our Councillors

We are pleased to present to the community this Annual Report for 2016-17 which is the final report on the Council Plan 2013-17. The Plan has guided Council's work for the term of the previous Council and, since our election in October 2016, that of the current Council.

We would like to express our sincere thanks to Council officers who have worked tirelessly to deliver the services valued by the community through the year and particularly during the transition period to a new Council. Council has delivered as promised on a wide range of the goals set out in the 2013-2017 Council Plan in delivering services to the community.

We would also like to acknowledge the work of the previous Council. As a new Council, we have quickly developed a clear understanding of the complexity of service delivery in the local government sector. We need to ensure we use our organisational capacity to deliver the services the community wants, while also ensuring we keep rates low. This is a big task and one we hope to deliver on with input and help from the community. While the organisation has been busy with the work of helping to deliver on the goals set out under this Council Plan, we have at the same time been working to create a new Plan for 2017-2021.

In October 2016, we were elected as Murrindindi Shire's new Council, marking a change in the direction and a new era for the Shire and its community. We were elected on a platform of integrity, honesty and a promise to actively represent, and listen to, our community.

Since we were elected, we have worked hard to create a unified direction through our new Council Plan for 2017-2021. The direction set out in that Plan has been driven by the community's needs, following the largest-ever community engagement process held in Murrindindi Shire. We heard from more

than 1600 members of the community and decided on four main objectives, relating to 'Our People', 'Our Place', 'Our Prosperity' and 'Our Promise'.

That engagement process was only the first in a series of conversations we will have with the community about our strategies and the actions which will make them a reality.

Small rural councils such as Murrindindi continue to face a range of funding challenges but, in the budget we adopted for 2017-2018, we have decided to abide by the State Government's cap on rate increases of 2.0%, rather than to seek an exemption as occurred last year under the previous Council. We also decided to implement a rate increase freeze on all commercial and industrial properties for one year to assist with the important goal of supporting businesses within the Shire.

Since being elected we adopted a formal position statement about timber harvesting in the Central Highlands and advocated to the Victorian Government and VicForests about the impacts of harvesting.

Council also ran a community engagement process to discuss with the community the future of the Mobile Library Service. This resulted in a decision to extend the Service to three new communities in the Shire and broaden it to include delivery of the full range of Council's customer services.

Council launched both its corporate Facebook page and a series of articles entitled "Did you know..." about the range of Council's services, to ensure we are communicating better with the community and talking with the community about our work.

We look forward to presenting the first Annual Report on the Plan in September 2018, which will detail our progress in advancing these goals and we look forward to hearing from the community about how we are tracking.

COUNCILLOR'S MESSAGE

Message from Our CEO

Council has worked hard during 2016-2017 to deliver results under the final year of this Council Plan.

The final year governed by a Council Plan is always a busy one. Not only must Council work hard to ensure it delivers on the objectives set in that Plan, it must also do the important work of planning for the next four years with a newly-elected Council in place.

Council has delivered on a wide range of the objectives set out in the Plan in 2016-2017. The four themes set out in the 2013-2017 Council Plan were 'Our Community', 'Our Environment', 'Our Economy' and 'Our Council'.

Council has worked hard in advocating for the community with government and other agencies. Council continued its advocacy in support of improved telecommunications, including with Federal Member for Indi Ms Cathy McGowan. Nine mobile phone tower/base stations have now been installed under the Federal Government's Mobile Blackspots program.

We also worked with a number of other agencies to support local groups' access to funding to improve infrastructure and to gain access to land use which would enable development, including around Eildon.

Community engagement has been a particular focus of Council's work during the year in review; Council undertook its largest ever community engagement to inform its new Council Plan and the related Long Term Financial Plan for 2017-2021.

We also conducted an 'Age Friendly' engagement project to help improve the 'liveability' of our communities for older people, resulting in the formation of a partnership between Council and community and neighbourhood houses. And Council continued to strengthen connections with the Taungurung Clans Aboriginal Corporation.

Council continued to ensure it is taking a 'best-value' approach to doing business, including by engaging in shared service initiatives with other councils and by joining statewide or multiple council purchasing arrangements.

Council delivered more than 700 library programs to the community, including to 175 seniors through the Victorian Government's 'Tech Savvy' grant funding. Council continued to support community grant applications for a

range of cultural and artistic events.

Council also supported the community in celebrating the 150th anniversary of Alexandra and provided significant support to the Jayco Herald Sun Tour in Kinglake. Council has also advocated to the Victorian Government for continued support for the Tour and its return to Kinglake.

Council continued to promote and collaborate with a range of active community organisations to deliver programs with positive and healthy environmental outcomes, including Healthy Hectares Program and Ribbons of Remnant Roadsides and management of weeds, pests and additional plantings.

Council also delivered on a busy year of capital works infrastructure projects with 96% of scheduled works from the adopted budget completed, including upgrade works to Yea Saleyards. Council also adopted a new Road Management Plan to ensure clear understanding of service standards for Council-managed roads.

Council successfully completed the design and planning work for the extension of the Great Victorian Rail Trail from Alexandra to Eildon. Council also issued commercial and industrial building permits for the year, representing an increase of 40.9% on the previous year.

Following the election of a new Council in October 2016, Council has created a new Council Plan for 2017-2021 with a new set of objectives which will form the basis for our work for the next four years.

As this Annual Report for 2016-17 is the final annual report on the Council Plan 2013-17, I would like to acknowledge all Councillors for their contribution and commitment to the roles they have played in their wards and in the performance of their portfolio duties. My thanks and appreciation also goes to communities for their engagement across the full spectrum of Council's work in our Shire.

On a personal note, this is also my last Annual Report after 34 years in local government. It has been a privilege to serve Murrindindi Shire Council and the community as Council's CEO over the past seven years. I believe Council is well placed to implement the new Council Plan for 2017-2021 and to continue working closely with the community to make our Shire an even better place to live, work and prosper.



Margaret Abbey
Chief Executive Officer

Councillors



Cr Margaret Rae

Mayor (July – October 2016)

Redgate Ward

First elected: October 2012; re-elected in October 2016.

Portfolio: November 2016 – June 2017 Land Use Planning

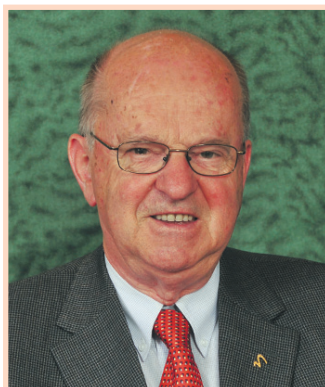
Ward township: Alexandra

Between July and October 2016, the Mayor was Chair of meetings of the Murrindindi Shire Council and represented Murrindindi Shire Council on the following advisory committees and external organisations:

- Alexandra Community Leisure Centre Committee of Management
- Alexandra Racecourse & Recreation Reserve Committee of Management (DELWP)
- Alexandra Showgrounds & Recreation Reserve Committee of Management (DELWP)
- Audit Advisory Committee
- Chief Executive Officer Performance Review Sub-Committee
- Economic Development Advisory Committee
- Hume Regional Local Government Network
- Mount Pleasant Reserve Committee of Management
- Municipal Association of Victoria (MAV)
- Rural Councils Victoria (RCV)
- Yea Cemetery Trust

Since being sworn in as a Councillor on 9 November 2016 and assuming the Land Use Planning portfolio, Cr Rae represented Council on the following:

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



Cr John Kennedy

Deputy Mayor

(July – October 2016)

Cheviot Ward

First elected: November 2012

Portfolio: Economic Development

Ward townships: Yea, Strath Creek, Flowerdale

The Deputy Mayor represented Murrindindi Shire Council on the following advisory committees and external organisations:

- Audit Advisory Committee
- Central Ranges Local Learning & Employment Network
- Chief Executive Officer Performance Review Sub-Committee
- Economic Development Advisory Committee
- Friends of Yea Railway Committee of Management
- Friends of Yea Shire Hall Advisory Committee
- Goulburn River Valley Tourism Board
- Strath Creek Reserves & Hall Committee of Management
- Timber Towns Victoria
- Workspace Australia Board
- Yea Cemetery Trust
- Yea Pioneer Reserve Committee of Management
- Yea Showgrounds & Recreation Reserve Committee of Management
- Yea Wetlands Committee of Management

Cr John Kennedy was not re-elected at the October 2016 Council elections



Cr John Walsh

Koriella Ward

First Elected: 2008

Portfolio:

Natural Environment and Climate Change

Ward townships:

Yarck, Cathkin, Molesworth, Limestone, Highlands, Gobur

Cr Walsh represented Murrindindi Shire Council on the following advisory committees and external organisations:

- Economic Development Advisory Committee
- Murrindindi Environment Advisory Committee
- Murrindindi Scenic Reserve Committee of Management (DELWP)
- Timber Towns Victoria
- Yea Saleyards Committee of Management
- Yea Cemetery Trust

Cr John Walsh did not stand for election at the October 2016 Council elections



Cr Christine Challen

Cathedral Ward

First elected:

November 2012

Portfolio:

Land Use Planning

Ward townships:

Taggerty, Buxton, Marysville, Narbethong

Cr Challen represented Murrindindi Shire Council on the following advisory committees and external organisations:

- Buxton Recreation Reserve Committee of Management
- Chief Executive Officer Performance Review Sub-Committee
- Gallipoli Park Precinct Committee of Management
- Municipal Association of Victoria (MAV) – Arts and Culture
- Murrindindi Environment Advisory Committee
- Peri Urban Group of Rural Councils
- Steavenson Falls Scenic Reserve Committee of Management (DELWP)
- Yea Cemetery Trust

Cr Christine Challen was not re-elected at the October 2016 Council elections



Cr Chris Healy

Eildon Ward

First elected:

November 2005 – October 2012

September 2015 – October 2016

Portfolio:

Corporate and Customer Services

Ward townships:

Thornton, Eildon

Cr Healy represented Murrindindi Shire Council on the following advisory committees and external organisations:

- Audit Advisory Committee
- Eildon Alliance Boat Ramp Committee of Management
- Eildon Community Centre Committee of Management
- Eildon Community Resource Centre Committee of Management
- Thornton Recreation Reserve & Hall Committee of Management
- Yea Cemetery Trust

Cr Chris Healy did not stand for election at the October 2016 Council elections



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

Between September 2015 and October 2016, Cr Lording represented Murrindindi Shire Council on the following advisory committees and external organisations:

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

Since being sworn in as a Councillor on 9 November 2016, Cr Lording represented Council on the following:

- 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



Cr Charlotte (Charlie) Bisset

Mayor

(November 2016 – June 2017)

June 2017)

Koriella Ward

First elected: October 2016

Portfolio: the Mayor does not hold a Portfolio

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

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
- Economic Development Advisory Committee
- Municipal Association of Victoria (MAV)
- Murrindindi Scenic Reserve Committee of Management
- Yea Cemetery Trust
- Yea Saleyards Committee of Management



Cr Sandice McAulay

Deputy Mayor

(November 2016 – June 2017)

Cathedral Ward

First elected: October 2016

Portfolio: Community Services

Ward townships: Taggerty, Buxton, Marysville, Narbethong

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
- Economic Development Advisory 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: Yea, Strath Creek, Flowerdale

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 Shire Hall 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 (Alternate)
- 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: Thornton, Eildon

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
- Economic Development Advisory Committee
- Eildon Alliance Boat Ramp Committee of Management
- Eildon Community Resource Centre Committee of Management
- Goulburn River Valley Tourism Board
- Thornton Recreation Reserve and Hall Committee of Management
- Workspace Australia 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
- CJ Dennis & Castella Public Hall Reserves Committee of Management
- Goulburn Valley Waste & Resource Recovery Local Government Forum (Alternate)
- Kinglake Community Centre Advisory Committee
- Kinglake Memorial Reserve Committee of Management
- Toolangi Forest Discovery Centre Committee of Management
- Yea Cemetery Trust

Our organisation

Chief Executive Officer

Margaret Abbey

Margaret joined Murrindindi Shire Council in 2010 with 26 years of local government experience. As the CEO, Margaret is the link between the elected Council and the organisation. The Council delegates a number of powers to Margaret to ensure she has the authority to fulfill her role. Margaret has focused on developing a financially sustainable organisation, as well as continued service delivery across the Shire.

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.

General Manager Corporate and Community Services

Michael Chesworth

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.

General Manager Infrastructure and Development Services

Elaine Wyatt (resigned September 2016)

Elaine relocated to Australia from the UK eight years ago and became an Australian citizen in 2013. Elaine joined Council in November 2014.

Elaine has over 22 years' experience in the highways and infrastructure industry, including over 10 years in local government roles. Elaine's technical background is in Traffic and Transport and she holds a Bachelors Degree in Traffic Management and a Masters in Transport Engineering & Planning. Elaine also recently completed a Masters of Business Administration at Deakin University.

Elaine managed 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.

General Manager Infrastructure & Development Services

Stuart McConnell (commenced January 2017)

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.



Margaret Abbey



Michael Chesworth

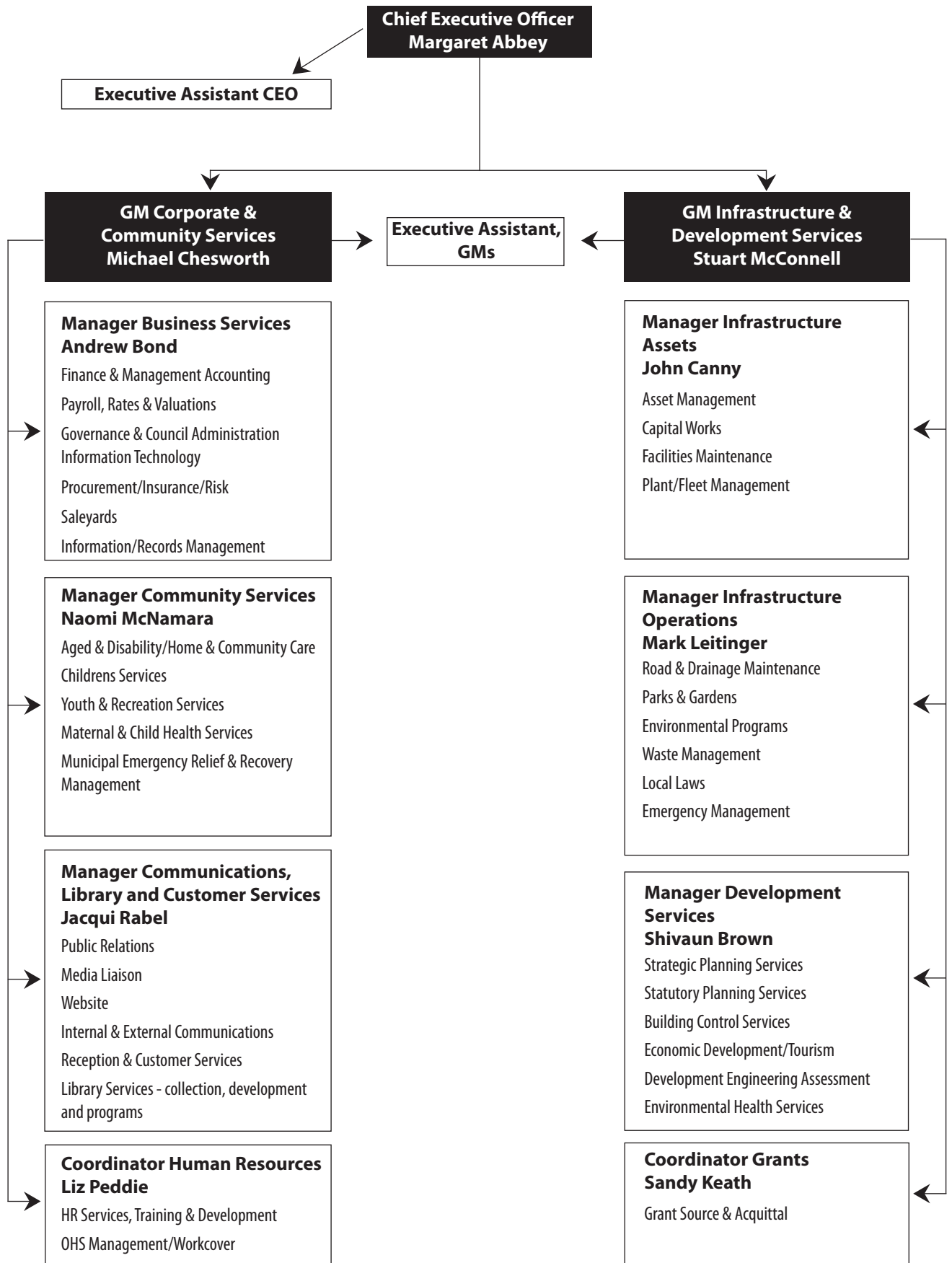


Elaine Wyatt



Stuart McConnell

Organisational Structure



A Year in Review – 2016-2017

Our Council			
Strategic objective	Achievements	Challenges	Year ahead
We will provide strategic leadership and effective governance that supports the aspirations of our community.	<ul style="list-style-type: none"> Council undertook its largest ever community engagement process to inform the development of its new Council Plan for 2017-2021, receiving over 1,600 survey responses and community participation in a range of engagement activities. The new Council Plan 2017-2021, which incorporates Council's Long Term Financial Plan was adopted on 21 June 2017. Council has improved its communications during the year by launching its corporate Facebook page and creating engaging and useful content for the community. 	<ul style="list-style-type: none"> Undertaking detailed long term financial and service level planning to balance the need to remain financially viable in the context of rate capping, whilst continuing to address the needs of the community for services. Ensuring optimal use of our information technology resources to meet the changing needs and heightened expectations of our community for responsive and accessible services and information. Providing the most suitable means for communicating with our community to ensure people remain informed and engaged with Council. 	<ul style="list-style-type: none"> Commencing a program with the community to review and plan the level to which Council's services should be delivered. Improving Council's online presence, including through social media. Exploring new ways to improve asset life and address Council's asset renewal challenges. Implementing enhancements to the delivery of customer service across all of Council's operations.

Our Community			
Strategic objective	Achievements	Challenges	Year ahead
We will support and promote health and well-being, social connectedness and community involvement.	<ul style="list-style-type: none"> The Murrindindi Early Years Conference took place involving 75 local early years service provider representatives from across the Shire focusing on diversity and inclusion. Community arts groups and the Marysville and Triangle Business and Tourism Association have been supported to access grant funds to plan and design an Arts and Tourism Centre in Marysville. Council worked in partnership with the Taungurung Aboriginal Corporation to progress the development of indigenous language cards for use by local early years service providers, primary schools and libraries. 	<ul style="list-style-type: none"> Planning Council's role in the future delivery of aged and disability services, given the introduction of the National Disability Insurance Scheme and the Federal reforms to the way these services will be funded in the future. Ensuring community facilities are effectively managed and well used without significant costs to Council. Ensuring the community can get fair access to the health and community services they need from service providers located in regional centres outside the Murrindindi Shire. 	<ul style="list-style-type: none"> Encouraging more local events that celebrate our diverse and vibrant communities. Commencing a community-based planning program to help local communities plan for their future needs. Re-establishing and expanding Council's outreach programs delivered by the mobile library, including access to Council services. Building resilience amongst our young people through opportunities for leadership development, work placements and access to youth services.

A Year in Review – 2016-2017

Our Environment			
Strategic objective	Achievements	Challenges	Year ahead
We will manage our natural and built environment in a responsible manner.	<ul style="list-style-type: none"> 96% of scheduled works from the adopted capital works infrastructure budget were delivered. An additional \$3m of grant funded or carried forward works were also delivered. Council completed construction of the leachate management facility at the Alexandra Landfill site and developed a long term management plan for the landfill site. The overall diversion of waste from landfill achieved was 36.3%, exceeding the target diversion rate of 35%. 	<ul style="list-style-type: none"> Continuing to fund asset renewal while also meeting community expectations for new or upgraded assets and services, in a rate-capped environment. Delivering on actions outlined in land-use plans and strategies that encourage and support appropriate development. Managing community expectations in relation to the standards for maintaining roads, parks and other public infrastructure. 	<ul style="list-style-type: none"> Building on work to date, maintain a strong focus on reducing the environmental impact of Council's activities and supporting our communities to be more environmentally sustainable. Continuing to strengthen Council's approach to asset management by completing the implementation of a new asset management system. Ensuring a continued focus on good land use planning that enhances the liveability, prosperity and rural character of Murrindindi Shire, including a focus on strategic land use planning and its implementation.

A Year in Review – 2016-2017

Our Economy			
Strategic objective	Achievements	Challenges	Year ahead
We will support the sustainable growth of Murrindindi Shire's businesses and the local economy.	<ul style="list-style-type: none"> Significant support was provided for the staging of the final day of the Jayco Herald Sun Tour in Kinglake. The Doing Business Better program was delivered in partnership with Murrindindi Inc. and included training and workshops covering customer service, financial management and online marketing, and the nominations and judging for the Murrindindi Business Excellence Awards. PlanSmart was launched at a Business Forum held at Holmesglen, Eildon in November 2016 which provides an online tool to assist local businesses to plan for emergencies with the safety of their guests as the prime focus. The Climate Smart Agricultural Development project was completed with the on-line tool and information ready for use in better understanding the impacts of climate change on the agricultural sector in the region. 	<ul style="list-style-type: none"> Leveraging and promoting the natural assets of Murrindindi Shire to increase visitation and recreation delivering economic benefit to our communities. Attracting new investment and supporting our existing businesses to grow. Supporting an environment that is an attractive place to live, with employment, housing opportunities and the services that matter. 	<ul style="list-style-type: none"> Building on initiatives such as the Development Assessment Team to continue to enhance a customer orientated approach to investment attraction and ensuring we perform at a high level across our regulatory functions. Continuing to advocate for improved infrastructure, particularly telecommunications, and for access to and investment in public land to harness economic opportunities, particularly related to recreation and visitation. Supporting event development and delivery and the development of products, experiences and visitor services to attract visitors and leverage our natural assets.

Calendar of events – Highlights 2016-2017

July 2016

- Council announces it will hold two community information sessions on its 2016-2017 draft Budget.
- CEO Margaret Abbey encourages people to stand for Council at the next Local Government election set for October and hosts a series of public information sessions across the Shire to discuss the role.
- Eildon receives \$520,000 in grant funding from Regional Development Victoria to refresh the town's hub as part of the Connecting and Revitalising Eildon Retail Precinct Project.
- Design team Convic is selected to complete designs for each of the bushfire memorials in the Shire.
- Council announces Kinglake West School Crossing Supervisor Robyn Sabljak is School Crossing Victoria Supervisor of the Year.
- Council launches its new investment and growth-focused website (www.murrindindiinvestment.vic.gov.au) designed to build the Shire's profile as an attractive investment destination.
- Council hosts drop-in sessions to guide community members through its new website and how to use its new events and community directory modules.

August 2016

- Council invites the community's young people to take part in National Science Week with a Science Expo being hosted at the library, with the help of the Friends of the Library.
- Murrindindi Shire Library Service launches its Tech Savvy Seniors program to help the Shire's seniors improve their technological and digital skills.
- Murrindindi Shire Library Service throws out the challenge to the community's families to share a book for 10 minutes a day.
- Council adopts its 2016-2017 Budget and 2016 Annual Review of its Council Plan 2012-2017.
- Councillors and senior officers attend a 'road show' of local businesses to

discuss their businesses, opportunities, challenges and future plans.

- Council Officers raise funds for Paralympian Jodie Elington-Jones in her quest to attend the Rio Paralympics.
- Council celebrates its new citizens at a ceremony held in Kinglake.
- Council releases the findings of the October 2015 annual Backyard Bird Count conducted by local residents.
- Council calls for community input into a new Environment Strategy to help guide Council's practices and to set priorities for environmentally responsible and sustainable outcomes for the Shire.

September 2016

- Council advises changes to the pricing at the Resource Recovery Centres and landfill.
- Alexandra plays host to Council's FReeZA 'Push Start' Competition at the Alexandra Secondary College Hall where over 60 people gather to hear bands and soloists from across the Shire battle it out in the competition's first round.
- Council provides an update on the new Leachate Pond at the Alexandra Landfill which is nearing completion after initial delays.
- Council advises ratepayers about the option of paying their 2016-2017 rates either in full or by four installment payments.

October 2016

- Council encourages households, businesses, schools and community groups across Murrindindi Shire to get involved in the annual Garage Sale Trail.
- Council calls on the community to celebrate National Bird week by taking part in one of the biggest citizen science projects in Australia – the Aussie Backyard Bird Count.
- Council encourages residents to consider nominating community members for Australia Day Awards, including Murrindindi Shire Citizen



Calendar of events – Highlights 2016-2017

of the Year, Murrindindi Shire Young Citizen of the Year and Murrindindi Shire Community Event of the Year.

- Council invites the community to attend the official opening of the 14km Kinglake Ranges Heritage Trail, following the route of the historic timber railway which operated from 1911 to 1926.
- Council encourages members of the community to comment on the draft designs of the Bushfire Memorials.
- Council announces road closures for the 2016 Targa High Country Rally.
- Council calls for community feedback on how best to ensure the Mobile Library Service can meet the community's needs both now and into the future.
- Council supports various Walk to School Day events held across the Shire. The program encourages communities to build healthy habits for life and highlights the many benefits of walking for children.
- Council announces the starting dates for the 2016-2017 swimming pool season.

November 2016

- Remembrance Day Services are held within Murrindindi Shire.
- Council calls for community views via a survey for its Age-Friendly Communities program to help Council develop strategies which better support our ageing community.
- Council starts its roadside slashing program in order to be fire-ready.
- Alexandra Library launches its Edible Garden Project as part of its ongoing children's program. The initiative provides physical fitness and educational activity for young people in the community.
- The new Murrindindi Shire Council is sworn in and starts its four-year term.
- Council recognises its Alexandra Library volunteers with a special lunch to thank them for their devotion and work to help support the library.
- Council receives a State Government

grant under the Graffiti Prevention Program and will use the \$24,500 in funding to deliver a community-led public art 'More than a Mural' project. Young people from the area are encouraged to take part in creating the art mural to be installed on the northern wall of the Alexandra RSL building.

- Council's Murrindindi Library Service encourages parents with young children to get involved in a state-wide campaign, '1000 Books Before School', to inspire parents to read to their children.

December 2016

- 'Don't park in the Blue Spot' campaign launches as a joint initiative between Murrindindi Shire Council's Access and Inclusion Committee and Nexus Primary Health Rural Access Program with the help of school students from across the Shire involved in the design phase.
- Former Principal Commissioner for Children and Young People, Bernie Geary launches the 'State of Murrindindi's Children' Snapshot Report.
- Council starts Stage 2 of development at the Yea Saleyards to increase the yards' sales capacity and improve comfort for livestock, clients and employees.
- Council supports Visitor Information Centre volunteers from around the Shire to complete their Certificate III in Tourism as part of a training initiative delivered through Goulburn Ovens Institute of TAFE.
- Council announces changes to kerbside collection days for Cathkin, Kanumbra, Yarck and Whanregarwen Road.
- Council's Maternal and Child Health Centre in Alexandra welcomes its newest mothers' group and encourages others to get involved with their local groups as a great way to meet other parents and find out about raising healthy, happy children.
- Council supports events at Kinglake celebrating the achievements and



Calendar of events – Highlights 2016-2017



contributions of people with a disability as part of International Day of People with a Disability to raise awareness, understanding and acceptance of people with a disability.

- Council advises Abode Restoration has been engaged to ensure the historic Alexandra Library is preserved for future generations.

January 2017

- Council road works program begins with work including fixing defective pavement sections, resealing roads, unsealed road works and some sealing of unsealed roads.
- Federal Member for Northern Victoria Jaclyn Symes officially opens the Shire's pools following the Outdoor Swimming Pool Rejuvenation project at the Eildon, Marysville and Alexandra swimming pools.
- Council reminds parents and pet owners not to leave their children or animals in parked cars over the summer months following a number of calls to Council about distressed dogs in parked cars.
- Council seeks a community representative with suitable senior business or financial management to join its Audit Advisory Committee.
- Yea Riverside Caravan Park announces it is doing well six months after the new operators took on a 21-year lease.
- Murrindindi Shire celebrates Australia Day in style with nine different events taking place throughout the municipality, all coordinated by dedicated and hard-working community groups.

February 2017

- Council announces the first round of its Ribbons of Remnant Roadside (RRR) Project has delivered outstanding results through the hard work and sustained efforts of the Murrindindi Shire community. The Project is the result of collaboration between Council, Upper Goulburn Landcare Network (UGLN) and Cittaslow Yea and aims to provide roadside refuge for native wildlife, maintain biodiversity and landscape values.

- Council warns pet owners to care for their animals responsibly, after receiving 45 barking dog complaints, 116 wandering dog complaints, and 17 reports in the Shire of wandering dogs attacking people and more than 100 requests for cat trap loans over the past year.
- Jayco Herald Sun Tour puts Kinglake in the spotlight with nearly 100 of the world's top cyclists competing in a televised gruelling four lap circuit (121kms) through Kinglake and the Kinglake National Park. More than 600 people visit the Kinglake Library during the Tour.
- Council congratulates resident Greg Longland on becoming an Australian Citizen.
- Council launches the 'Have Your Say' campaign to encourage community feedback about what it thinks is important for the Shire's future in its next four year Council Plan.
- Council supports a Forum being conducted by the Upper Goulburn Landcare Network (UGLN) for new and part time landowners wanting advice on how to manage their properties.
- Federal Member for Indi Cathy McGowan opens Council's Yea ToiArt refurbishment.

March 2017

- Council supports the Alexandra 150 year Celebrations.
- One of Council's Family Day Care Educators Bev Howell takes the spotlight as Council profiles her 20 years working in the Shire providing Family Day Care to the community.
- Council calls on the community to join forces to eradicate European wasps, urging all residents to report or destroy nests as numbers are expected to increase in the coming months.
- Council reminds Murrindindi Shire residents to get involved and complete the 'Have Your Say' survey which will shape the Shire's next four years.

Calendar of events – Highlights 2016-2017

- Council conduct a civic reception to recognise 'Shire of Alexandra Past Presidents' as part of Alexandra's 150-year celebrations.
- Murrindindi Shire Council supports a series of customer service workshops for businesses across the Shire.
- Council stock 'Top Tips for Phones and Internet' brochures, produced by the Australian Communications Consumer Action Network (ACCAN), covering a range of frequently asked questions and useful tips about telecommunications.
- Council announces four worthy community grant recipients: Toolangi-Castella Community House's Soccer on the Hill Project; landscaping at the Y Water Discovery Centre; new cricket pitch at the Alexandra Football/Netball Club; and Life Saving Victoria for its 'Sink or Swim' aquatic safety education program for primary and secondary aged children in the Shire.
- Council thanks the community for its involvement in the 'Have Your Say' survey with more than 1,600 survey responses received and invites the community to attend one of four workshops to help prioritise the feedback received.
- Council is reviewing its Road Management Plan and releases it for public inspection and submissions.

April 2017

- Council encourages businesses in the Shire to enter the 2017 Murrindindi Business Awards to recognise local businesses delivering exceptional products and services within our region.
- More than 120 Murrindindi Shire residents attend one of four community 'Have Your Say' workshops in Alexandra, Kinglake, Marysville and Yea to prioritise feedback for the draft Council Plan 2017-2021.
- Council announces 18 April 2017 as the end date of Murrindindi Shire's Fire Danger Period.
- ANZAC Day services are held across the Shire in Alexandra, Eildon,

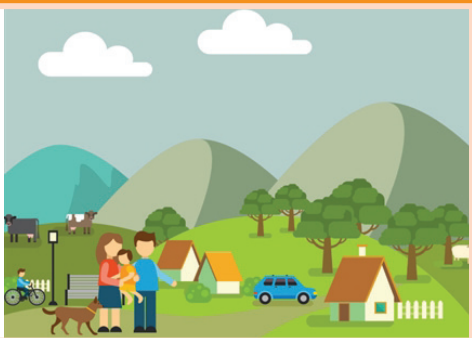
Glenburn, Kinglake, Marysville, Strath Creek, Terip Terip, Thornton, Yarck and Yea.

- Council updates the community on feedback received from the 'Have Your Say' campaign. Four themes emerged from the feedback - Our People, Our Place, Our Prosperity and Our Promise which will form the basis of the new Council Plan.
- Council calls on Murrindindi Shire residents to consider nominating an individual, business or group for the annual Victorian Regional Achievement and Community Awards. Murrindindi Shire has one of the highest volunteering rates in the State at 31.9%.
- Council encourages Murrindindi Shire's sporting organisations to apply for funding support under the State Government's 2018-2019 Community Sports Infrastructure Fund.

May 2017

- Council releases its Draft Council Plan 2017-2021 and Draft 2017-2018 Budget for public viewing and feedback. The documents respond to an extensive 'Have Your Say' community survey conducted earlier in the year.
- Council continues to prioritise European wasp management, taking an out-of-the box approach to managing its impact on our community.
- Council announces it is introducing a temporary freeze on rate rises for commercial and industrial ratepayers in its first step to support business as one of its key proposals for its draft Council Plan and Budget. Council also announces its focus on making it easier to do business with following the extensive 'Have Your Say' community engagement program.
- Yea Library holds a Red Cross Syria Crisis Appeal Dinner with around 25 local community members attending to also enjoy a live Skype discussion with Beirut-based Red Cross humanitarian worker Peter McArdle, raising \$800 for the cause.





Calendar of events – Highlights 2016-2017

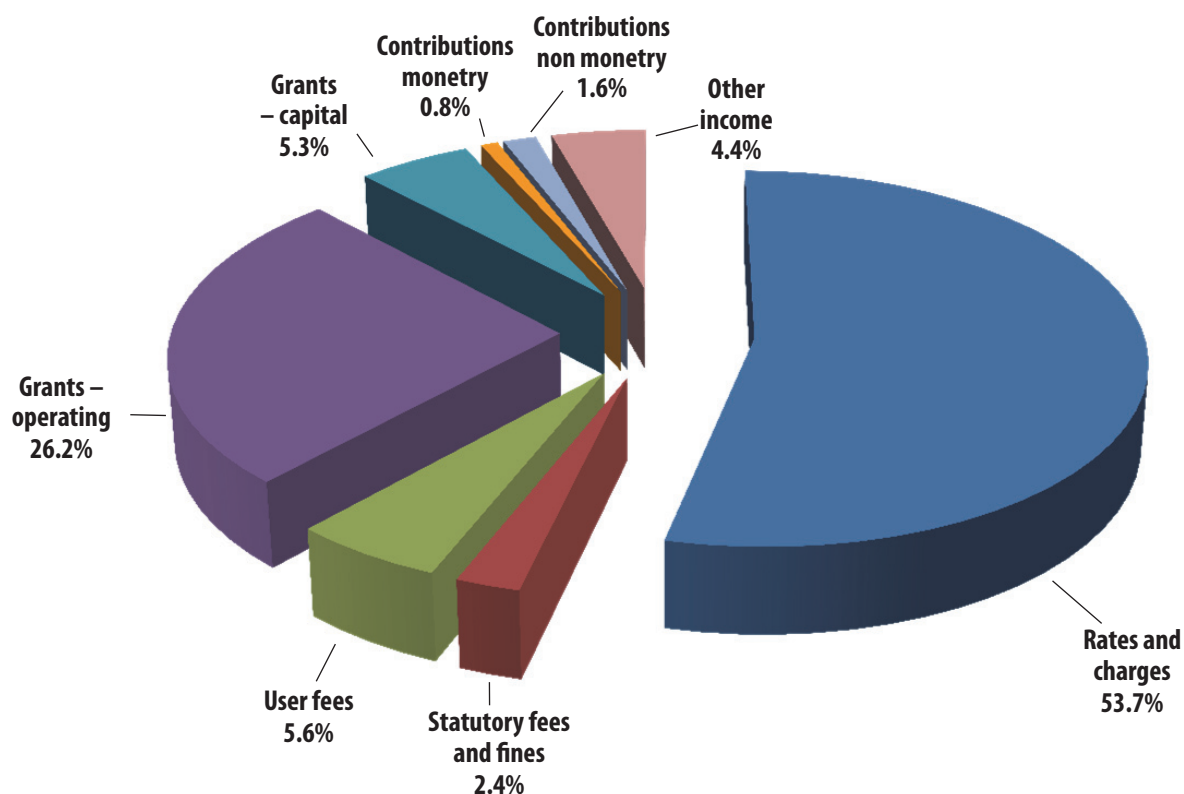
- Council staff are among 75 participants who attend attending the Early Learning Conference at Camp Jungai in Rubicon. Murrindindi Children's Network adopt the theme 'No child left behind' for the Conference.
- Celebrating and supporting people and communities within the Shire is one of Council's four priority goals in the draft Council Plan for 2017-2021. Council makes the announcement following its extensive 'Have Your Say' campaign.
- Council announces there are nearly 700 animals unregistered – 497 dogs and 198 cats – despite the due date for registration being extended until the end of April.
- Council announces it has allocated \$7.134 million to its Capital Works Program in its Draft 2017-2018 Budget.
- Council's Kinglake Resource Recovery Centre is hit again by thieves, this time stealing a generator worth more than \$5,500. This is one of a number of thefts from the RRCs over the past few years and Council is reviewing its security arrangements.
- Council announces visitors to Murrindindi Shire's Resource Recovery Centres can now use EFTPOS facilities to make it easier to get rid of their waste.
- Council resolves two zoning amendment matters for the Kinglake Ranges community, choosing to abandon a proposed new cemetery site on State Government land and adopting a zoning amendment to enable the construction of a service station and three shops at Kinglake West.
- Council calls on landowners to act to reduce both Capeweed and Paterson's Curse while they are in their Winter rosette stage before they flower and seed coming in to spring. Both are noxious weeds.
- Council raises awareness on 15 June for World Elder Abuse Awareness Day by encouraging staff to wear purple and attend a fundraising morning tea with money raised to be donated to Seniorsrights.org.
- Council's Libraries enjoy a literary coup with a road show visit from 'The Dressmaker' author Rosalie Ham. More than 130 booklovers from Taggerty to Kinglake and beyond attend three sessions held across the Shire on 8 June.
- Council calls on Murrindindi Shire residents to 'get crafty' and throws its support behind the Murrindindi Beanie Festival with knitted banners for the township to accompany the lamp-post beanies knitted for the 2016 event.
- Council formally adopts its Council Plan 2017-2021 and Budget 2017-2018 during a Special Meeting of Council. The Council Plan and Budget reflect the new and different flavour of the new Council and incorporate the views and priorities provided by the Community from the 'Have Your Say' campaign.
- Council announces three new projects are about to start in the Shire that aim to improve the liveability of our communities for older people. These projects are a part of the Age Friendly Communities Initiative and include a transport forum, age friendly service maps and a network and collaboration project.
- Council announces the redevelopment of the Marysville Rebuilding Advisory Centre to establish the new Marysville Tourism and Arts Centre. This centre is expected to establish an exciting vibrant space to support tourism and community under the one roof to benefit Marysville and the surrounding communities.

June 2017

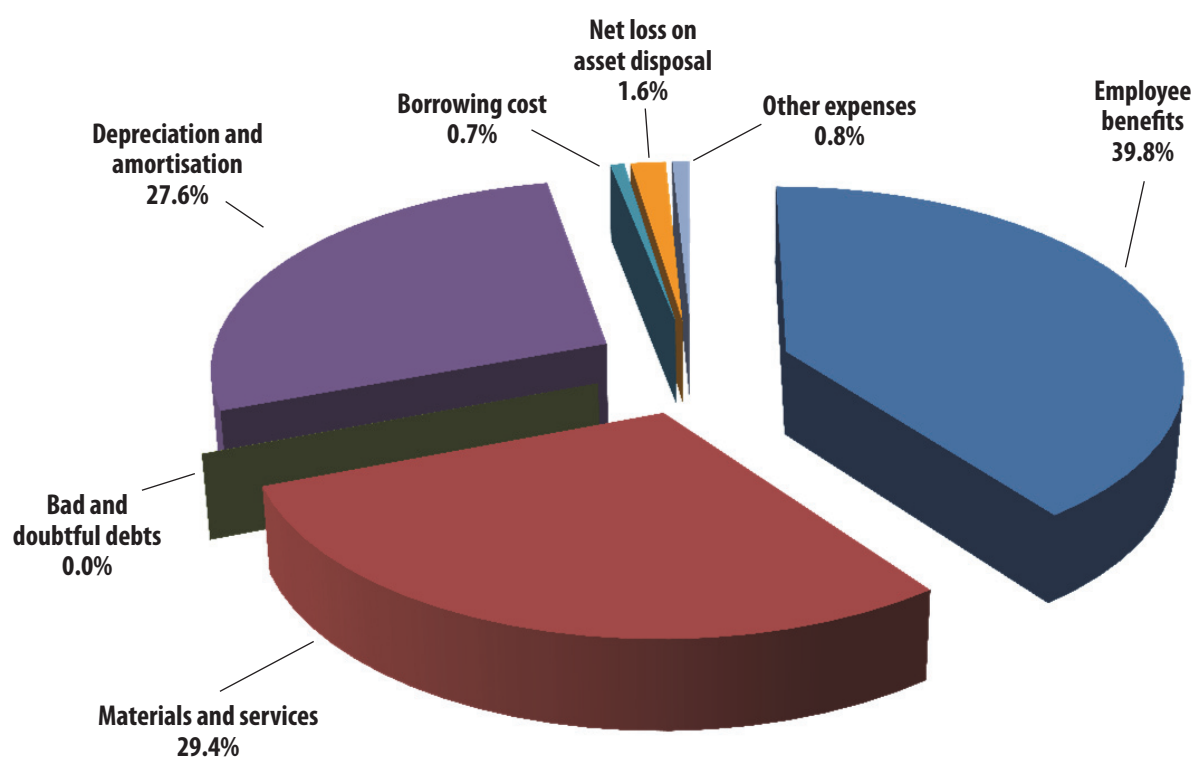
- Council supports the ABC's War on Waste and explains what it is doing to help reduce the Shire's landfill and increase what is being recycled.

Financial overview 2016-2017

INCOME BREAKDOWN



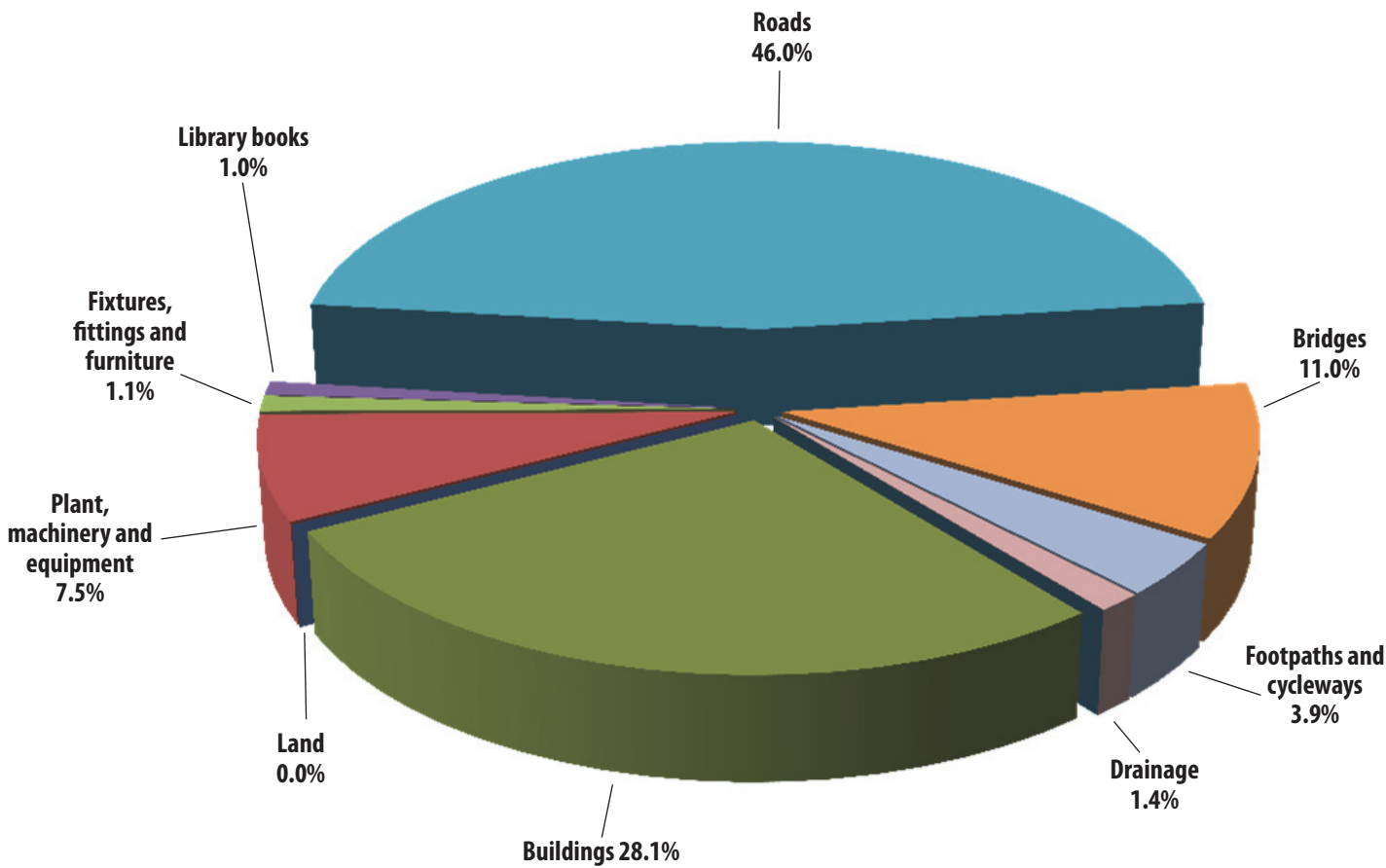
OPERATING EXPENSE BREAKDOWN



* Does not equal 100% due to rounding

Financial overview 2016-2017

CAPITAL EXPENDITURE BREAKDOWN



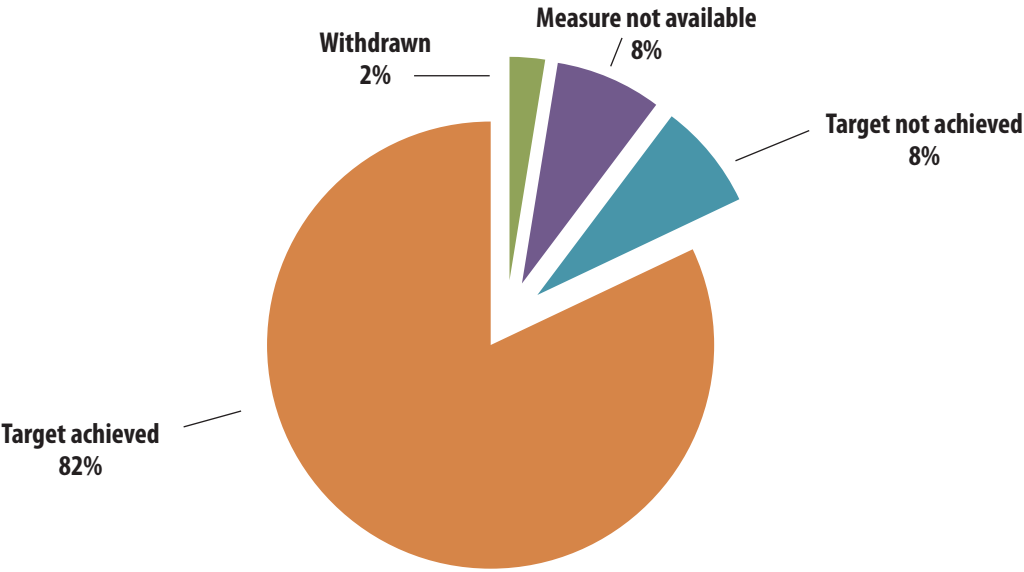
** Does not equal 100% due to rounding*

Performance reporting

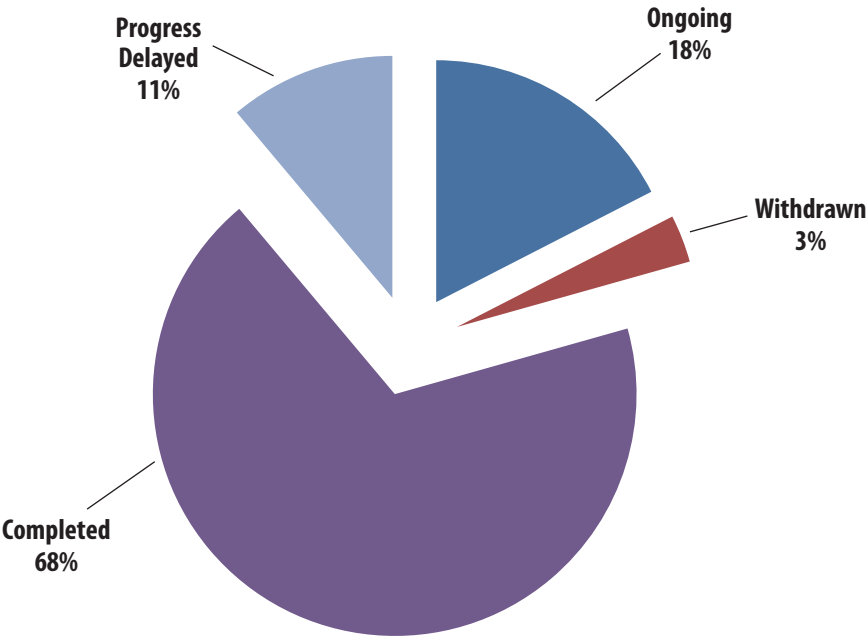
We report our performance under the four goals of the *Council Plan 2013-2017*. The Council Plan is the key strategic document which reflects Council’s priorities and informs our work.

We have completed Year 4 of the Council Plan 2013-2017 with 82% of Key Performance Indicators (KPIs) achieved and 68% of Year 4 Activities completed.

Council Plan 2013-2017 Year Four KPIs
FINAL SUMMARY



Council Plan 2013-2017 Year Four Activities
FINAL SUMMARY



Our Council

We will provide strategic leadership and effective governance that supports the aspirations of our Community

By ensuring our long term financial sustainability, Council's priorities will be directed towards the implementation of the Murrindindi Vision 2030. Achieving the outcomes of this community-driven vision will be our strong advocacy to all levels of government on local needs and issues, the implementation of a master plan to grow the Murrindindi Shire rate base through sound planning and support for economic development and the effective and efficient operation of the Council. By achieving this Murrindindi Shire will be a place of prosperity and opportunity.

Our Community

We will support and promote health and wellbeing, social connectedness and community involvement

Our goal of Council and our community is to create vibrant, interconnected and inclusive communities.

Murrindindi Vision 2030 supports a strong sense of pride and belonging across the Shire. From arts programs, improved footpaths, on-going support of fire affected communities and new and upgraded recreational facilities; we aim to put the pieces in place for a healthy and active community. We will achieve this vision through strong support programs and robust policy decisions.

Our Environment

We will manage our natural and built environment in a responsible manner

Council will continue to look for ways to protect significant environmental values along with balancing the need to develop and manage our built environment. This will be achieved through leadership and cooperation with other agencies and community networks. Our Council will be recognised for its environmental practices as we look to balance our natural surrounds with our need to grow. We aim to achieve communities that are sustainable in the use of natural resources while developing planning policies that embrace and protect our rural landscapes.

Our Economy

We will support the sustainable growth of Murrindindi Shire's businesses and the local economy

A vibrant economy will attract people to our region and in turn open further opportunities for business expansion and investment. This will increase employment prospects, social and cultural benefits and population growth. A key focus of our activities will be the further development and enhancement of educational and training options across the Shire. While our attention will continue to be a vibrant tourism and agricultural-based economy, we need to also advocate for improved telecommunications networks that will encourage diverse and entrepreneurial businesses the opportunities to establish.

Our Council

Leadership

Strategic Objective – What we will do

We will deliver visible leadership and advocacy

Customer Service

Strategic Objective – What we will do

We will deliver quality customer outcomes by continuing to find better ways of doing things

Financial Sustainability

Strategic Objective – What we will do

We will administer sound financial management practices

Staff

Strategic Objective – What we will do

We will have engaged and professional staff

Achievements

Council undertook its largest ever community engagement process to inform the development of its new Council Plan for 2017-2021, receiving over 1,600 survey responses and running 13 'pop-up' events at markets and other community gatherings across the Shire, 17 community meetings, 12 school visits and four community workshops, attended by 120 people.

The new Council Plan 2017-2021, which incorporates Council's Long Term Financial Plan was adopted on 21 June 2017.

Council has improved its communications during the year by launching its corporate Facebook page and creating engaging and useful content for the community.

To facilitate the introduction of the new Council, an extensive Councillor Development Program was conducted.

Council adopted a formal position statement about Central Highlands timber harvesting and use of State Forest.

Community consultation continued around the final designs for the six community memorials of the February 2009 bushfires, before construction commences in late 2017.

Council implemented use of eftpos machines at all of its transfer stations to improve convenience for customers.

Council engaged with the community on the future of the Mobile Library Service, resulting in a decision to extend the service to new locations and broadening the range of Council services offered.

Council continued its program of exploring shared service initiatives throughout 2016/17 including a number of joint-Council and state-wide purchasing arrangements, resulting in more competitive pricing and better service outcomes.

A successful work experience program saw six work experience students spend time with Council in the Depot, Rates, Planning, Asset Management, Aged and Disability and the Library, giving local young people insight into the diverse careers available in Local Government.

Challenges

- Undertaking detailed long term financial and service level planning to balance the need to remain financially viable in the context of rate capping, whilst continuing to address the needs of the community for services.
- Continuing to work with the community to improve satisfaction with Council's operations, advocacy and overall performance.
- Ensuring the most optimal use of our information technology resources to meet the changing needs and heightened expectations of our community for responsive and accessible services and information.
- Providing the most suitable means for communicating with our community to ensure people remain informed and engaged with Council.

Looking Forward

- Commencing a program with the community to review and plan the level to which Council's services should be delivered.
- Continuing to explore opportunities to share functions or the delivery services with other councils to improve efficiencies and value to the community.
- Improving Council's online presence, including through social media.
- Exploring new ways to improve asset life and address Council's asset renewal challenges.
- Implementing enhancements to the delivery of customer service across all of Council's operations to make Council easier to do business with.
- Expanding the ways through which Council and the community can interact and exchange information.

Council Plan activities

1.1 Leadership – We will deliver visible leadership and advocacy

Key Performance Indicators

Year 4 Key Performance Indicators	Target	Status	Comments
Community participation in forums: Number of forums held.	Deliver a minimum of one non-statutory community forum a year that actively encourages community participation.	Target achieved	Council conducted a range of engagement processes with the community during the quarter under review. See Leadership Year 4 Actions for more detail.
Advocacy to the State and Federal Governments.	Advocate on behalf of the community on a minimum of 10 issues a year.	Target achieved	Council continued to advocate across a broad range of issues. See Leadership Year 4 Actions for more detail.

Leadership Year 4 Actions

Council Plan Strategy	Year 4 Action	Status	Comment on progress and outcomes
Involve community leaders in regular advocacy to State and Federal Governments on local needs and issues.	Advocate on behalf of the community on relevant local issues.	Completed	<p>Council met with Federal Member for Indi, Cathy McGowan on a number of occasions throughout the year to advance advocacy efforts for improved telecommunications (NBN and mobile coverage).</p> <p>Council advocated to Ms McGowan about the need to support the Lake Eildon Houseboat Industry Association and the Goulburn Murray Water funding application for infrastructure improvements to roads and ramps and also for a sewer connection to Jerusalem Creek. Council also met with Goulburn Murray Water advocating for increased opportunities for recreational and other use of GMW assets, including land around Eildon.</p> <p>Council adopted a formal position statement about Central Highlands timber harvesting and use of State Forest. Council has written to the Victorian Premier and relevant Ministers on this issue. Council has also raised issues with VicForests about the impacts of timber harvesting.</p> <p>Council met on several occasions with VicRoads to advance issues with road management, including the Molesworth to Yea upgrade.</p> <p>Council wrote to the State Government Minister for Water Lisa Neville about the constraints management strategy for the Murray Darling Basin Plan, advocating on behalf of land holders who could be impacted by overland flows.</p> <p>Council contacted Local Members about various issues affecting the community in Murrindindi Shire. Through the year, Council also advocated to the State and Federal Government about community services, including about the National Disability Insurance Scheme, ongoing recovery needs in bushfire-affected areas, and the need for ongoing funding for kindergartens.</p> <p>Council provided submissions to State Government in relation to emergency management including responses to the Local Government and Emergencies Directions Paper and the Discussion Paper: Resilient Recovery.</p>

Leadership Year 4 Actions CONTINUED

Council Plan Strategy	Year 4 Action	Status	Comment on progress and outcomes
Actively develop and implement a long term vision for Murrindindi Shire.	Actively develop and implement a long term vision for Murrindindi Shire.	Ongoing	Council continued to draw on the Murrindindi 2030 Vision in the development of its objectives and strategies for the new Council Plan 2017-2021.
Building community relationships and trust through community forums and engagement.	Through the establishment of issue based community advisory committees engage with community and business leaders to better inform Council decision making.	Completed	<p>Council undertook its largest ever community engagement in the year under review to inform its new Council Plan for 2017-2021. Council received more than 1600 survey responses and ran 13 'pop-up' events at markets and other community gatherings across the Shire, 17 community meetings, 12 school visits and four community workshops, attended by 120 people.</p> <p>Council ran three Age Friendly Victoria focus groups in the Shire to assist with prioritising issues and develop project proposals to improve the livability of communities for older people. 140 people participated in the community survey that preceded the focus groups.</p> <p>Council also ran a community engagement process to discuss the future of the Mobile Library service. Council received over 180 responses to its online survey and mail out and more than 30 people attended a community roundtable meeting in Yea.</p> <p>Community consultation took place around the final designs for the six community memorials of the February 2009 bushfires, before construction commences in late 2017. Council conducted an online survey to gauge community attitudes to environmental issues to help guide the development of Council's Environment Strategy.</p> <p>Through the year, Council also ran a number of community 'drop-in' sessions about planning matters in Kinglake, for the business community (PlanSmart; Meet the Maker and tourism and investment opportunities) and to provide information and training in use of platforms on Council's website (community directory and events modules) for community groups, and event organisers.</p>
Communicate key Council decisions and strategies to the community in a variety of ways.	Commence community engagement to identify required service levels across all Council services.	Progress Delayed	There was limited progress on this activity during the year as resources were focused on the Council election, induction of new Councillors and creation of the new Council Plan 2017-2021.

1.2 Customer Service –

We will deliver quality customer outcomes by implementing better ways of doing things

Key Performance Indicators

Year 4 Key Performance Indicators	Target	Status	Comments
Community perception of performance for customer service.	Achieve a score of 66 or more in the annual community satisfaction survey.	Target not achieved	The 2017 Community Satisfaction Survey reflected a drop in satisfaction levels with Council's customer service, with a score of 65 (down from 67 in 2016). It remains the second highest performing service area overall.
Number of business processes implemented.	Improve a minimum of five business processes a year.	Target achieved	Council has improved a range of business processes throughout 2016/17, including processes in rates management, depot operations, statutory planning, Council officer delegations, IT operations and building permit management.

Customer Service Year 4 Actions

Council Plan Strategy	Year 4 Action	Status	Comment on progress and outcomes
Build on our customer service and communications with the community.	Further develop Council's customer request tracking processes and establish indicators of Council's responsiveness.	Progress Delayed	Resources required to complete this action were secured for 2017-2018. Upgrades to systems which will enable these improvements have been delayed until late 2017.
	Further incorporate customer feedback into the review and delivery of Council's services.	Completed	Council has improved its communications during the year by launching its corporate Facebook page and creating engaging and useful content for the community. Council has provided responses to customer enquiries and requests via Facebook, in addition to normal channels. Council has launched its weekly 'Did you know' series of media releases, designed to inform the community about its role and the scope of its work. Council has implemented use of eftpos machines at all of its transfer stations.
Continue to improve our processes to enhance the efficiency and effectiveness of the organisation.	Explore the potential and consequences of shared services and collaborative activities across the Local Government sector.	Completed	Council continued its program of exploring shared service initiatives throughout 2016/17. In addition to extending its relationship with Mansfield Shire Council to share Council's municipal building and surveying services, a number of joint-Council and State-wide purchasing contracts were entered into, resulting in more competitive pricing arrangement and better service outcomes.

1.3 Financial Sustainability – We will administer sound financial management practices

Key Performance Indicators

Year 4 Key Performance Indicators	Target	Status	Comments
Rate base increased by overall Capital Improved Value.	Increase the Shire's Capital Improved Value by 1.5% each year.	Target achieved	The total capital improved value of rateable assessments within the Murrindindi Shire increased by 2.89% to \$4.071 billion as of 30 June 2017 when compared to 30 June 2016.
Rate base increased by new and quality developable lots.	Increase the number of lots for development across the Shire.	Target achieved	Planning permits have been issued over the 2016/17 year for the creation of 28 residential lots and five rural lots.

Financial Sustainability Year 4 Actions

Council Plan Strategy	Year 4 Action	Status	Comment on progress and outcomes
Growing our rate base through diligent planning.	Growing our rate base through diligent planning.	Completed	There was an overall increase of 2.89% in the capital improved value of Council's rate base during the year.
Provide value for money through the delivery of long term financial plans.	Incorporate the Council's strategies for asset renewal and greater community stewardship of asset management into Council's Longer Term Financial Planning.	Completed	The new Council Plan 2017-2021, which incorporates Council's Long Term Financial Plan was adopted on 21 June 2017. Extensive community consultation was undertaken to inform the development of this plan, which assisted Council in determining the key issues to be addressed in its 4 year term.
Practice responsible grants management and how we access grants.	Continue to source grants to support the achievement of Council's strategic objectives.	Ongoing	A Grant Policy was prepared during the year, including a priority assessment tool for potential grant projects which is being trialled to identify and prioritise new funding opportunities to support the achievement of Council's Objectives. During the year Council identified and communicated funding priorities to relevant funding agencies and worked with agencies to identify relevant funding programs.
Promote an equitable rating strategy for all ratepayers.	Review the Council's Rating Strategy to examine the feasibility and impacts of introducing a Township Amenity differential rate.	Completed	A township amenity differential rate was ultimately not included in Council's rating structure for 2017/18, with Council instead electing to implement a rate increase freeze on all commercial and industrial properties for one year.

1.4 Staff – We will have engaged and professional staff

Key Performance Indicators

Year 4 Key Performance Indicators	Target	Status	Comments
Staff Satisfaction.	Improve internal staff satisfaction results year on year. Reduce staff sick leave days by 1% per annum.	Target achieved	The conduct of the staff satisfaction survey was not scheduled in this financial year. The lost time sick leave rate for 2016/17 was 3.19, which represented a 13% decrease on the previous year's result.
Number of staff training days.	Increase staff training days by 1% per annum.	Target not achieved	Training opportunities across the year totalled 743 enrolments in 78 different courses resulting in 526 training days. In addition online training enrolments have picked up in the last quarter with 432 people enrolled in online programs. While not quite achieving the target of an increase on the previous year, it represents a good range and mix of professional development to support the goal of engaged and professional staff.
Health and safety.	Reduce time lost through workplace injury by 5% per annum.	Target achieved	Overall the time lost due to injury over the whole year was 0.15% which is an exceptional result.

Staff Year 4 Actions

Council Plan Strategy	Year 4 Action	Status	Comment on progress and outcomes
Ensure a healthy and safe workplace for all staff.	Ensure Council's OHS framework adequately addresses the needs of an ageing workforce.	Completed	The 2016-17 Health@Work program was completed. The program raised awareness of health issues for all staff, with specific focus on the needs of a mature workforce. The range of activities included monthly newsletter, a 4 week Fit for Work challenge, 2 seminars on resilience and mental health, and personal health checks for staff. In addition there were other projects to encourage employees to improve their personal health and wellbeing and to make OHS a priority.
Provide staff training and professional development opportunities.	Continue to implement leadership development and multi-skilling opportunities across all levels of the organisation.	Completed	Leadership development across the year included a leadership forum with the senior management team with follow-up workshops to address a range of strategic issues. The leadership development of seven frontline supervisors continued with the Diploma and Cert IV in Leadership; and with two more senior employees continuing in the LGPro Emerging Leaders and Executive Leaders Programs. In addition a diverse range of training and other professional development opportunities continued across the organisation including OHS representative training, manual handling, customer focused business writing, social media training, emotionally intelligent leaders, digital disruption and plant maintenance.
Provide workforce development and succession planning opportunities.	Identify opportunities to incorporate cadetships, traineeships and apprenticeships into the workforce.	Completed	A successful work experience program saw six work experience students spend time with Council in the Depot, Rates, Planning, Asset Management, Aged and Disability and the Library, giving local young people insight into the diverse careers available in Local Government. Council officers also presented at a Careers Afternoon in Alexandra Secondary College. Council has committed to identify resources to engage up to three trainees during the next year.

The following statement provides the results of the prescribed performance indicators and measures including explanation of material variations.

REPORT OF OPERATIONS		
Service Performance Indicators Service/indicator/measure	Results 2017	Material Variations
Governance		
Transparency		
<i>Council decisions made at meetings closed to the public</i> [Number of Council resolutions made at ordinary or special meetings of Council, or at meetings of a special committee consisting only of Councillors, closed to the public / Number of Council resolutions made at ordinary or special meetings of Council or at meetings of a special committee consisting only of Councillors] x100.	7.43%	No material variations for 2016/17.
Consultation and engagement		
<i>Satisfaction with community consultation and engagement</i> Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement.	42.00	No material variations for 2016/17.
Attendance		
<i>Councillor attendance at council meetings</i> [The sum of the number of Councillors who attended each ordinary and special Council meeting / (Number of ordinary and special Council meetings) × (Number of Councillors elected at the last Council general election)] x100.	94.17%	The increase in attendance rates for 2016/17 was due to all Councillor positions being filled at the October 2016 elections, following three resignations during 2015/16.
Service cost		
<i>Cost of governance</i> [Direct cost of the governance service / Number of Councillors elected at the last Council general election].	\$36,959.14	Cost increases for 2016/17 are due to higher training and development costs associated with the induction of a new Council, following the elections held in October 2016.
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].	41.00	No material variations for 2016/17.

Services related to this theme

- Procurement
- Risk Management
- Legal
- Human Resources
- Financial Management
- Information Technology
- Information Management
- Governance
- Corporate Strategy
- Rates
- Council Administration
- Customer Service

Our Community

Health and Wellbeing

Strategic Objective – What we will do

We will advocate for and support the lifelong needs of our communities at all ages and all stages

Social Connectedness

Strategic Objective – What we will do

We will encourage inclusive, creative and resilient communities

Achievements

Council delivered the Planned Activity Group program providing a wide variety of opportunities for older people within the community to remain active, independent and connected to their community.

Several projects were progressed that support collaboration amongst community services providers including Age Friendly Communities, KEYS Service mapping, Resilient Youth project, Walk to School project, Don't Park in the Blue Spot and the Good Access is Good Business Accessibility project.

Council supported Ellimatta youth services in Kinglake with governance advice and resources which saw the program secured for a further two years, until December 2018.

Four community representatives were recruited onto the Municipal Emergency Management Plan Committee during the year to provide a community perspective on emergency management, planning and preparedness.

Early Years services in Yea and Alexandra have been supported to access grant funds to redevelop their centres to meet growing community demand.

The Murrindindi Early Years Conference was held involving 75 local early years service provider representatives from across the Shire, focusing on diversity and inclusion.

Community arts groups and the Marysville and Triangle Business and Tourism Association have been supported to access grant funds to plan and design an Arts and Tourism Centre in Marysville.

Council worked in partnership with the Taungurung Aboriginal Corporation to progress the development of indigenous language cards for use by local early years service providers, primary schools and libraries.

Council provided funding to support a range of cultural and artistic events including the Speak Up Alexandra and More Murals digital graffiti light projection project and the 150th celebrations in Alexandra.

Community Engagement

Strategic Objective – What we will do

We will actively engage with our communities to increase participation and community input

Challenges

- Planning Council's role in the future delivery of aged and disability services, given the introduction of the National Disability Insurance Scheme and the federal reforms to the way these services will be funded in the future.
- Ensuring community facilities are effectively managed and well utilised without significant costs to Council.
- Ensuring the community can get fair access to the health and community services they need from service providers that are located in regional centres outside the Murrindindi Shire.

Looking Forward

- Encouraging more local events that celebrate our diverse and vibrant communities.
- Exploring the opportunity to establish a Murrindindi arts network to promote and showcase the Shire's artistic and creative people and events.
- Commencing a community-based planning program to help local communities plan for their future needs.
- Continuing to promote, support, encourage and celebrate volunteering across the Shire.
- Advocating for flexible and equitable delivery of health and wellbeing services across the Shire, including medical and specialist services.
- Working to strengthen Council's relationship with local indigenous communities.
- Re-establishing and expanding Council's outreach programs delivered by the mobile library, including access to Council services.
- Building resilience amongst our young people through opportunities for leadership development, work placements and access to youth services.

Council Plan activities

2.1 Health and Wellbeing –

We will advocate for and support the lifelong needs of our community

Key Performance Indicators

Year 4 Key Performance Indicators	Target	Status	Comments
Implementation of actions in the Municipal Public Health and Wellbeing Plan.	100% completion by June 2017.	Target achieved	Implementation of actions in the Municipal Public Health and Wellbeing Plan was completed during the year. See comments under Health and Wellbeing Year 4 Actions.
Home and Community Care (HACC) services delivered to the community in accordance with Service Agreements.	95% of HACC targets reached.	Target achieved	HACC service delivery targets have been met across the broad range of programs; there was some variation in demand across individual service types.
Development of a Recreation and Open Space Plan in partnership with the community.	Complete by July 2017.	Target not achieved	The development of the Recreation and Open Space Plan will be completed as part of the Council Planning process and is scheduled to be finalised by December 2017.

Health and Wellbeing Year 4 Actions

Council Plan Strategy	Year 4 Action	Status	Comment on progress and outcomes
Advocate for and support flexible delivery of early years services.	Advocate for and support flexible delivery of early years services.	Completed	There are two primary schools that now deliver after school programs and school holiday programs for students. The Family Day Care service continued to advertise for qualified educators in areas of high demand. All educators were encouraged to be flexible regarding hours of care they offer. The service continued to advocate (through the peak body) with the government around continuing and expanding the In Home Care Program in country areas.
Promote and deliver effective transition through integrated aged care options.	Support a partnership between aged care providers to retain and strengthen aged care services in the Shire.	Completed	Council has worked collaboratively throughout the year with Alexandra District Health, Nexus Primary Health, Yea & District Memorial Health and Dame Pattie Menzies Centre as part of the Murrindindi Aged and Disability Service providers Network. This group met on a regular basis to begin workforce planning initiatives for sector.
Support older people to remain active and healthy and connected to their community.	Support older people to remain active and healthy and connected to their community.	Completed	Council operated the Planned Activity Group program providing a wide variety of opportunities for older people within the community to remain active, independent and connected to their community. The Age Friendly Communities project also had a significant focus on community connectedness and active living. Consultations undertaken as part of the project have informed three project proposals. These include a community transport forum, age friendly service maps and a collaboration project that will support community and neighbourhood houses to undertake joint strategic planning and deliver age friendly initiatives in their respective local communities. These projects are currently being planned and will enhance opportunities for older people to be active and connected.

Health and Wellbeing Year 4 Actions CONTINUED

Council Plan Strategy	Year 4 Action	Status	Comment on progress and outcomes
Strengthen partnerships with service providers to meet the demonstrated health needs of our communities.	Strengthen partnerships with service providers to meet the demonstrated health needs of our communities.	Completed	Council coordinated a range of networks throughout the year that support and strengthen partnerships across service providers. These include the Murrindindi Youth Partnership, the Access and Inclusion Committee, the Murrindindi Children's Network, the Kinglake Early Years Services Network, the Murrindindi Community Service Group and the Aged Care Service Providers Network. A number of projects have been progressed that support collaboration including Age Friendly Communities, KEYS Service mapping, Resilient Youth project, Walk to School project, Don't Park in the Blue Spot and the Good Access is Good Business Accessibility project.
Actively engage with community health and wellbeing issues through implementation of the Municipal Public Health and Wellbeing Plan.	Undertake key initiatives outlined in the Municipal Public Health and Wellbeing Plan, in conjunction with community and service partners.	Completed	Actions in the Year 4 Implementation Plan have been completed including volunteer training, creation of improved resources and guidelines for supporting children in emergencies, the Walk to School project, communication accessibility improvements at Council offices and libraries, Disability awareness activities, Seniors Week and Volunteer week celebrations.
Work with young people and service providers to identify and respond to youth priorities across their respective communities.	Implement a youth engagement program to encourage all young people to participate in their community and to support youth leadership skills development.	Ongoing	<p>Council's commitment to youth participation continued in 2016/17 with officers supporting initiatives in Alexandra, Kinglake and Yea. Officers continued to use the data developed from the Murrindindi Resilience Youth survey program to support initiatives that encourage student and community engagement.</p> <p>Council supported Ellimatta in Kinglake with governance advice and resources which saw the program secured for a further two years, until December 2018.</p> <p>Officers commenced work to create opportunities in performing arts for young people in Yea.</p>
Support participation in a range of sport recreation and leisure activities.	Undertake an assessment of community needs in order to progress development of Council's Recreation and Open Space Strategy.	Ongoing	A review of recreation and open space assets and services commenced during the year. Officers designed an engagement process involving sporting and recreation groups across the Shire that will be delivered in July. This work will support the development of the Municipal Public Health and Wellbeing Plan. Council Officers also submitted two Sport Recreation Victoria Grant submissions targeting the Alexandra Tennis Club synthetic surface replacement and the redevelopment of the Yea Railway Playground.

2.2 Social Connectedness – We will encourage inclusive, creative and resilient communities

Key Performance Indicators

Year 4 Key Performance Indicators	Target	Status	Comments
Facilitate an increase in multi-community participation in artistic and cultural events.	Measured participation matches or exceeds the Victorian average. Support a minimum of four events per annum.	Participation measure not available Target achieved	The Community Indicators Victoria measure has not been updated in the past three years. Council supported a range of events over the past year including seniors week, volunteer week activities featuring musical performances, FReeZA events, numerous library events including musical performances, events hosting authors and guest speakers and the Women's Solstice.
Progress the Urban Access Program (pathways and related infrastructure, total identified projects – 101).	100% of annual identified projects completed per annum.	Target achieved	Eight projects were prioritised from the list of works identified by the Access and Inclusion Committee. These project were all completed in the financial year.
Update and progress on the Missing Links program (total projects identified – 29).	5 projects per annum.	Target achieved	Two larger projects in Yea were identified in this year's program. Both projects were undertaken with only minor completion works carried into July.
Audit of disability access issues regarding pathways and missing links.	Audit of disability access issues complete by June 2015.	Target achieved	An audit of disability access issues regarding pathways and missing links was completed and presented to the Access and Inclusion Committee.
Number of community network building activities initiated by Council.	One event between July and December and one event between January and June each year.	Target achieved	Three Age Friendly Communities workshops and network meetings were undertaken resulting in the formation of a partnership with Community and Neighbourhood Houses and Council. The International Day of People with a Disability celebration and incursion was completed in partnership with Middle Kinglake Primary School and Nexus Primary Health.
Promote and acknowledge volunteers.	Minimum of one Council-initiated event per annum. Ongoing participation in the Murrindindi Volunteer Advisory Group.	Target achieved	Council celebrations of volunteers were completed in partnership with Alexandra District Health and Kellock Lodge. Positive working relationships with key organisations supporting and promoting volunteerism have continued throughout the year.

Social Connectedness Year 4 Actions

Council Plan Strategy	Year 4 Action	Status	Comment on progress and outcomes
Prioritise the activities of Council and engage other stakeholders to improve peoples' access and inclusion.	Continue to strengthen relationships with indigenous and culturally diverse communities across the Shire in order to deliver culturally appropriate services.	Completed	The Integrated Diversity and Active Service Model Plan was progressed with the Lower Hume Primary Care Partnership meeting during the year. With the transition of the funding to the Commonwealth Government, the Active Service Plan will become the Wellness and Reablement Plan. The indigenous early years language cards project was undertaken in partnership with the Taungurung Clans Aboriginal Corporation. The language card kits will be placed in all libraries, Early Years' Services, kindergartens and primary schools in Murrindindi Shire.
Ensure access and social connectedness is considered in the planning and development of facilities and infrastructure.	Undertake an audit of disability car parking in Murrindindi Shire to promote disability awareness and appropriate use.	Ongoing	A disability parking audit of Alexandra has been completed and audits of other townships are well underway. The Murrindindi Shire Council Access and Inclusion Committee has worked with Council to support the audits.
Support participation in a wide range of artistic and cultural pursuits.	Support participation in a wide range of artistic and cultural pursuits.	Completed	Community Grant applications were supported by Council during the year to assist a range of cultural and artistic events including the Speak Up Alexandra and More Murals digital graffiti light projection project and the Sesqui celebrations in Alexandra as part of the historical display. Council officers continue to support and progress the Marysville Tourism and Arts Project in partnership with the Marysville and Triangle Business and Traders Association and Community Arts Groups.
Work with communities to build resilience and prepare for future unplanned events.	Work with communities to build resilience and prepare for future unplanned events.	Completed	Four community representatives were recruited onto the Municipal Emergency Management Plan Committee during the year to provide a community perspective on emergency management, planning and preparedness. Council also partnered with the CFA and DELWP to provide community information sessions on risk and emergency planning in a number of communities.
Support people and groups to work together to strengthen connections and community networks.	Strengthen the capacity of the community to access available grant funds to meet community objectives.	Completed	Council undertook a range of projects and initiatives to support community groups and build connections during the year. Early Years services in Yea and Alexandra have been supported to access grant funds to redevelop their centres to meet growing community demand. Community arts groups and the Marysville and Triangle Business and Tourism association have been supported to access grant funds to plan and design an Arts and Tourism Centre in Marysville. Community groups continue to be supported to access the Community Grants Program to support local initiatives.
Recognise, support and value volunteers.	Work collaboratively with key partners to support the co-ordination of volunteer recruitment and training.	Completed	A joint celebration of volunteers was undertaken this year in a partnership between Council, Kellock Lodge and Alexandra District Health. The event attracted 70 volunteers and was a great opportunity to acknowledge the valued contribution they make to the community. Improvements to volunteer coordination processes were developed within existing resources to support and recruit volunteers to participate in a 'Friendly Visitor' and 'Transport to Medical Appointment' service. These initiatives are currently in the planning stages.
Advocate for better access to public and social housing options.	Advocate for better access to public and social housing options.	Completed	Advocacy regarding the need for crisis and transitional housing has been undertaken during the year with the Victorian Department of Health and Human Services and Nexus Primary Health, the current providers of Family Violence Support Services for Murrindindi Shire.

2.3 Community Engagement – We will actively engage with our communities to increase participation and community input

Key Performance Indicators

Year 4 Key Performance Indicators	Target	Status	Comments
Community perceptions of performance for health and human services.	The Community Satisfaction Survey achieves a score in this category that is more than or equal to the indexed mean of 77.	Measure not available	The Community satisfaction survey did not include this measure for the 2016 and 2017 surveys.

Community Engagement Year 4 Actions

Council Plan Strategy	Year 4 Action	Status	Comment on progress and outcomes
Trial and evaluate locality-based planning, in conjunction with local communities.	Work to increase the capacity of communities to undertake their own local planning and management of community projects and facilities.	Completed	Phase 1 of the Community Planning initiative has been completed, focusing on building a wider understanding within the organisation of the role and benefits of community planning. Planning has been undertaken for phase 2 of the project, focusing on co-producing a community planning framework with the community.

The following statement provides the results of the prescribed performance indicators and measures including explanation of material variations.

REPORT OF OPERATIONS		
Service Performance Indicators Service/ <i>indicator</i> /measure	Results 2017	Material Variations
Aquatic Facilities Service standard <i>Health inspections of aquatic facilities</i> [Number of authorised officer inspections of Council aquatic facilities / Number of Council aquatic facilities]. Health and Safety <i>Reportable safety incidents at aquatic facilities</i> [Number of WorkSafe reportable aquatic facility safety incidents]. Service Cost <i>Cost of outdoor aquatic facilities</i> [Direct cost of outdoor aquatic facilities less income received / Number of visits to outdoor aquatic facilities]. Utilisation <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population].	1.00 0.00 \$16.54 1.30	No material variations for 2016/17. No material variations for 2016/17. No material variations for 2016/17. A cooler start to the summer season for 2016/17 impacted on the number of opening hours at the Council’s aquatic facilities and the number of overall attendance for the 2016/17. Overall attendance was 1,265 patrons below 2015/16.
Home and Community Care (HACC) Service standard <i>Compliance with Community Care Common Standards</i> [Number of Community Care Common Standards expected outcomes met / Number of expected outcomes under the Community Care Common Standards] x100.	100.00%	No material variations for 2015/16.
Libraries Utilisation <i>Library collection usage</i> [Number of library collection item loans / Number of library collection items] Resource standard <i>Standard of library collection</i> [Number of library collection items purchased in the last 5 years / Number of library collection items] x100.	2.18 52.11%	Growth in the library collection usage in 2016/17 is a reflection of the increased number of active library members, as well as the improved quality of the library collection The improvement of the standard of the library collection continued the steady renewal undertaken across library stock over the last few years.

REPORT OF OPERATIONS

Service Performance Indicators Service/indicator/measure	Results 2017	Material Variations
Service cost <i>Cost of library service</i> [Direct cost of the library service / Number of visits].	\$5.21	It should be noted that Murrindindi is not part of a regional library corporation - Council's libraries also serve as customer service centres in 3 of the 4 locations. Increased utility of library services did see a significant decrease in cost per visit for 2016/17.
Participation <i>Active library members</i> [Number of active library members / Municipal population] x100.	40.25%	Active library participation increased across the municipality when compared to data recorded in 2015/16.
Maternal and Child Health (MCH) Satisfaction <i>Participation in first MCH home visit</i> [Number of first MCH home visits / Number of birth notifications received] x100.	98.32%	No material variations for 2016/17.
Service standard <i>Infant enrolments in the MCH service</i> [Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received] x100.	100.84%	No material variations for 2016/17.
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.	98.36%	No material variations for 2016/17.
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%	No material variations for 2016/17.

Services related to this theme

- Aged and Disability Services
- Maternal and Child Health Services
- Children's Services
- Recreation and Aquatic Services
- Youth Services

Our Environment

Conservation of Resources

Strategic Objective – What we will do

We will use resources more efficiently and effectively

Protection of the Natural Environment

Strategic Objective – What we will do

We will protect and enhance the natural environment

Planning for Future Growth

Strategic Objective – What we will do

We will plan for future growth that is sensitive to the constraints of our natural environment whilst considering development needs

Asset Management

Strategic Objective – What we will do

We will apply a whole of life approach to the management and maintenance of Council's assets

Achievements

96% of scheduled works from the adopted Capital works infrastructure budget were delivered. An additional \$3m of grant funded or carried forward works were also delivered.

Council completed construction of the leachate management facility at the Alexandra Landfill site and developed a long term management plan for the landfill site.

An electronic funds transfer system was also introduced to all five of Council Resource Recovery Centres to provide more payment options for customers.

The overall diversion of waste from landfill achieved was 36.3%, exceeding the target diversion rate of 35%.

Paper consumption by Council reduced by 35% compared to the 2013/2014 baseline year which has exceeded to target of 15%.

Energy consumption across all of Council's operations has reduced by 19% since 2013-14. Energy consumption in selected high use buildings was reduced by 27% against a target of 15%. This reflects the impact of energy efficiency upgrades on heating and cooling and the installation of solar panels.

Council promoted community awareness of environmentally responsible behaviour, with media releases covering waste management and recycling and management of weeds including Cape Weed and Patterson's Curse.

Council collaborated widely with local Landcare networks on many projects including the National Tree Day, Healthy Hectares Program, Ribbons of Remnant Roadsides, pest animal control, blackberry control, wasp management groups, and Birds in the Backyard.

Council launched the PlanSmart online tool to assist local businesses to plan for emergencies with the safety of their guests as the prime focus.

Challenges

- Encouraging growth within the Murrindindi Shire and ensuring social and environmental outcomes - enhancing the rural lifestyle valued by our community and supporting community safety.
- Continuing to fund asset renewal while also meeting community expectations for new or upgraded assets and services, in a rate capped environment.
- Delivering on actions outlined in land-use plans and strategies that encourage and support appropriate development.
- Managing community expectations in relation to the standards for maintaining roads, parks and other public infrastructure.
- Continuing to improve the environmental sustainability of Council's operations and working in partnership with communities and businesses to support sustainable lifestyles and activities.

Looking Forward

- Building on work to date, maintain a strong focus on reducing the environmental impact of Council's activities and supporting our communities to be more environmentally sustainable.
- Continuing to strengthen Council's approach to asset management by completing the implementation of a new asset management system.
- Ensuring a continued focus on good land use planning that enhances the liveability, prosperity and rural character of Murrindindi Shire, including a focus on strategic land use planning and its implementation.
- Recognising the history, culture and identity of our towns and communities, including through design and signage of our public places and improve links and making Murrindindi Shire easier to navigate.

Council Plan activities

3.1 Conservation of Resources – We will use resources more efficiently and effectively

Key Performance Indicators

Year 4 Key Performance Indicators	Target	Status	Comments
Our practices show a reduction in the use of energy, waste, paper and water resources.	<p>35% diversion of waste from landfill.</p> <p>Overall reduction of 5% annually in paper consumption is targeted on 2013-2014 baseline information.</p> <p>Overall reduction of 5% in energy consumption across a selection of high use Council buildings per annum.</p>	Target achieved	<p>The proportion of material recycled by households and businesses through the kerbside system in 2016-17 was 34.2%. At Council's Resource Recovery Centres, 65% of waste entering the site is recycled.</p> <p>The overall diversion of waste from landfill is 36.3%, exceeding the target diversion rate of 35%.</p> <p>Paper consumption has reduced by 35% compared to the 2013/2014 baseline year which has exceeded the target of 15%. Paper used in office printing is 100% post consumer recycled paper.</p> <p>Energy consumption across all of Council's operations has reduced by 19% since 2013-14.</p> <p>Energy consumption in selected high use buildings was reduced by 27% against a target of 15%, with most of those saving occurring in the highest energy using building (Alexandra Offices). This result reflects energy efficiency upgrades on heating and cooling and the installation of solar panels.</p>
Implementation of the Waste Management Strategy.	Implementation of year three actions.	Target achieved	<p>Council actively participated in the Goulburn Valley Waste and Resource Recovery Group including having input into the regional waste and resource recovery implementation plan.</p> <p>Council completed construction of the leachate management facility at the Alexandra Landfill site and developed a long term management plan for the landfill site.</p> <p>An electronic funds transfer system was introduced to all five of Council Resource Recovery Centres.</p>
Revision of Environment Strategy.	Adoption of Revised Environment Strategy.	Withdrawn	<p>Council has adopted an approach of consolidating previously separate strategic documents and incorporating them into a single Council Plan 2017-2021 Annual Action Plan.</p> <p>This means, for example that the actions to be taken over the next four years in the environment or waste areas will be included in the Council Plan Annual Action Plan to be adopted later in 2017. This will be informed by community feedback including the "Have Your Say" engagement process.</p>

Conservation of Resources Year 4 Actions

Council Plan Strategy	Year 4 Action	Status	Comment on progress and outcomes
Reduce our corporate footprint by using energy, water and materials more responsibly.	Continue to monitor Council's energy and natural resource consumption practices.	Completed	Energy and water monitoring has occurred via Council's resource consumption monitoring system, Planet Footprint. Quarterly reports for individual sites were communicated to site managers.
Encourage and recognise environmentally responsible behaviour and practices within Council and across the Murrindindi Shire community.	Encourage and recognise environmentally responsible behaviour and practices within Council and across the Murrindindi Shire community.	Completed	Council promoted community awareness of environmentally responsible behaviour, with media releases covering waste management and recycling and management of weeds including Cape Weed and Patterson's Curse. Council engaged with local landowners as part of the implementation of the roadside weed control program to encourage community action that supports the program.
Strengthen Council's capacity to use resources more sustainably by cooperating with the Goulburn Broken Greenhouse Alliance (GBGA) and community networks.	Strengthen Council's capacity to use resources more sustainably by cooperating with the Goulburn Broken Greenhouse Alliance (GBGA) and community networks.	Ongoing	Council has implemented a resource monitoring program and has participated in joint programs auspiced by the Goulburn Broken Greenhouse Alliance (GBGA) with other neighbouring councils to determine standardised reporting systems for greenhouse gas emissions reporting. Council continues to explore opportunities for energy renewable or efficiency projects with GBGA.
Implement the Waste Management Strategy that seeks to promote waste minimisation strategies and increase opportunities for recycling and reuse of resources.	Develop a Business Case which investigates viable options to increase the recovery of household and commercial food and organic waste.	Progress Delayed	This action has not been achieved within the 2016/2017 year and will be progressed in the 2017/18 year.
	Develop a plan for the Resource Recovery Centres to identify further opportunities to increase recycling and further development of scavenging / reuse (tip) shops.	Ongoing	A draft report on Resource Recovery Centres (RRCs) across the Goulburn Valley is close to being finalised. The review compares current RRCs against best practice and will include recommendations to inform action by Council. A draft report on options for a reuse shop has been prepared.

3.2 Protection of the Natural Environment – We will protect and enhance the natural environment

Key Performance Indicators

Year 4 Key Performance Indicators	Target	Status	Comments
Plans, policies and processes to protect the environmental values on Council owned land are developed and continually refined.	Annual action plans for managing the environment on Council owned land are implemented.	Target achieved	The roadside weed management program was completed and mapping has been undertaken in preparation for the program for 2017-18.
Partnerships developed that deliver regionally funded projects across the Murrindindi Shire.	Number of partnerships with other organisations developed.	Target achieved	Council has worked with a broad range of organisations to deliver programs with positive local environmental outcomes including: <ul style="list-style-type: none"> the Healthy Hectares program with Euroa Arboretum and Upper Goulburn Landcare Network (UGLN) the Ribbons of Remnant Roadsides with UGLN and Cittaslow Collaboration with GBCMA, Alexandra Primary School and the Green Army on management of weeds and additional planting along UT Creek Alexandra supporting local weed and pest management with the King Parrot Catchment Fox Control Group and Blackberry Action Groups working with regional organisations to improve consistency across environmental programs including the UGLN, the Goulburn Broken Local Government Biodiversity Group, the GBCMA, the Goulburn Broken Greenhouse Alliance, and the Goulburn Valley Waste and Resource Recovery Group.
Number of communication materials planned and delivered with and/or to agencies, households and business groups.	At least one environmental communication activity is held with each group.	Target achieved	In 2016-17 Council's environmental education and extension program has included: <ul style="list-style-type: none"> presentations made at public forums and programs, such as the Healthy Hectares program and several gardening events support for event days such as National Tree Day and Clean Up Australia Day articles in local media on various weed and waste management issues.

Protection of the Natural Environment Year 4 Actions

Council Plan Strategy	Year 4 Action	Status	Comment on progress and outcomes
Ensure Council operations are managed in a way that minimises impact on the natural environment.	Continue to implement Council's agreed native vegetation offset management actions.	Completed	Agreements have been signed with three landowners to complete revegetation projects within the shire. The Upper Goulburn Landcare Network is managing the project on behalf of Council over the next three years.
Conserve high value sites on Council controlled land and roadside reserves by reducing environmental threats.	Implement and seek to enhance Council's roadside weed control program.	Completed	The roadside weed management program was completed and mapping has been undertaken in preparation for the 2017/2018 program.
Encourage property development across the Shire that protects and enhances environmental values.	Develop Council's Domestic Wastewater Management Plan.	Progress Delayed	This action has not been achieved within the 2016/2017 year. Budget has been included for 2017/18 to undertake this work.
Strengthen Council's capacity to work with key agencies that have responsibility to deliver local, regional, state and federal environmental policy and programs.	Collaborate with key local Landcare networks, agencies and community stakeholders to identify and deliver environmental projects in Murrindindi Shire and to advocate for relevant funding.	Completed	Council has collaborated widely with local Landcare networks on many projects including the National Tree Day, Healthy Hectares Program, Ribbons of Remnant Roadsides, pest animal control, blackberry control, wasp management groups, Birds in the Backyard. Council has been represented at the festival of flowers and made presentations at the Yea Rotary Gardens Expo.

3.3 Planning for Future Growth – We will plan for future growth that is sensitive to the constraints of our natural environment whilst considering development needs

Key Performance Indicators

Year 4 Key Performance Indicators	Target	Status	Comments
Adoption of environmentally sustainable design principles.	The inclusion of environmentally sustainable features in new developments.	Target achieved	100% of building permit applications were assessed for adherence to the 6 star minimum energy rating for new buildings.
Implementation of ongoing changes to the Murrindindi Planning Scheme (MPS).	Implementation of year four actions.	Target achieved	Amendment C57 for the proposed service station at Kinglake West has been adopted by Council with minor changes as supported by the Panel. The amendment is now with the Minister for Planning for gazettal. Amendment C59 for the Kinglake Cemetery has been abandoned by Council. Amendment C64 to rezoning plantation land to Farming Zone has been sent to the Minister for Planning for gazettal.
Strategic and settlement planning adequately addresses bushfire risk and strengthens community resilience.	Implementation of Bushfire protection measures.	Target achieved	Council continues to wait on the final implementation of the revised Bushfire Management Overlay mapping by the State Government, having completed all necessary preparatory actions. Council also established a communication plan to ensure residents understand the impact on their property and the ways that the new BMO will provide positive safety outcomes.

Planning for Future Growth Year 4 Actions

Council Plan Strategy	Year 4 Action	Status	Comment on progress and outcomes
Improve the flexibility of the Murrindindi Planning Scheme to respond to growth in a way that balances environmental values and improves the level of safety of our community.	Conduct a review of the Significant Landscapes Study.	Withdrawn	The Lower Hume High Country Region Landscape Assessment Study was exhibited and has since been placed on hold by DELWP, subject to further funding. This study will form the basis for the review of the Significant Landscapes Study. Therefore no further action can be taken at this time.
Ensure that Council's emergency management planning responds to community safety needs.	Continue to update emergency management plans to prepare for and mitigate risks to the community.	Completed	Council has completed its annual review of the Municipal Fire Management Plan, the Municipal Emergency Management Plan and the Relief and Recovery Plan.
Improve Council and community capacity to respond to the impacts of extreme weather events and longer term climate change.	Improve Council and community capacity to respond to the impacts of extreme weather events and longer term climate change.	Completed	Council has launched the PlanSmart online tool to assist local businesses to plan for emergencies with the safety of their guests as the prime focus.
Adopt and implement the Municipal Strategic Statement (MSS) to establish future directions that align to the Council Plan.	Adopt and implement the Municipal Strategic Statement (MSS) to establish future directions that align to the Council Plan.	Completed	Amendment C54 to the Murrindindi Planning Scheme which revised the MSS to reflect the directions of the Council Plan was gazetted in March 2016 and has been incorporated into the Planning Scheme.
Promote environmentally sustainable design in future developments to achieve more energy and water efficient outcomes in our built environment.	Promote environmentally sustainable design in future developments to achieve more energy and water efficient outcomes in our built environment.	Ongoing	Environmentally sustainable principles are applied through Building and Planning regulations and statutory approvals. These are regularly reviewed and updated by the State Government. Any changes to regulations are implemented at a local level through the statutory approval processes.
Review and progress Council's implementation of the Urban Design Frameworks for settlements within the Shire.	Develop a program to implement Council's existing Structure Plans, Development Plans and Urban Design Frameworks	Ongoing	A funding application has been submitted to the Victorian Planning Authority to progress this action. Council has not yet been advised of the outcome of this application.
	Support sustainable industries within the region through the provision of infrastructure, advice and support.	Completed	<p>Over 40 new investment opportunities were registered and facilitated through the provision of advice.</p> <p>Over 25 pre-application development meetings with Council's development assessment team were held, for more substantial development proposals, with many of these including on site visits/ discussions.</p> <p>Direct support was provided to a number of investors with the commissioning of land capability and traffic management assessments and the provision of specialised urban design advice.</p> <p>Following the development of a multi lot development plan, a Council owned site in the retail precinct in Marysville was sold to a potential developer.</p>

3.4 Asset Management – We will apply a whole of life approach to the management and maintenance of Council's assets

Key Performance Indicators

Year 4 Key Performance Indicators	Target	Status	Comments
Reduction in the infrastructure renewal gap.	Develop strategies to ensure resources are appropriately allocated across all asset groups to reduce the infrastructure renewal gap over time.	Target achieved	The asset management plans and the Road Management Plan were reviewed during the year with the revised Road Management Plan being adopted by Council. An integrated asset management system was procured and implementation is well underway and on target for completion in December 2017.
Delivery of the capital works program.	Deliver 95% of annual scheduled Capital Works projects.	Target achieved	96% of scheduled works from the adopted Capital works infrastructure budget were delivered. An additional \$3m of grant funded or carried forward works were also delivered.
Defined levels of service for maintenance activities.	Implement levels of service for roads and drainage maintenance by June 2017.	Target achieved	The Council's Road Management Plan (RMP) has been adopted. The RMP sets minimum standards and Council continues to work on ensuring we meet and where possible exceed this service standard.

Asset Management Year 4 Actions

Council Plan Strategy	Year 4 Action	Status	Comment on progress and outcomes
Manage and renew our existing infrastructure assets in a responsible manner.	Continue to incorporate funding opportunities into the consideration of future capital works, with a priority on infrastructure renewal.	Completed	Council received significant grant funding for infrastructure works from Federal and State Governments. This allowed additional renewal and upgrade to be undertaken across our road, path and bridge network. Grant funding also allowed renewal and upgrade works to be undertaken at the Yea Saleyards, Marysville Tourism and Arts Centre, Yea Children's Centre and the Leckie Park Cricket Pavilion and public convenience refurbishment.
	Implement Council's new asset management system.	Completed	Following an extensive assessment of available systems Council successfully procured an Integrated Asset Management System. The system is now well into the implementation stage which is expected to be completed by the end of the 2017 calendar year.
Engage with relevant communities on the development of community infrastructure and services.	Implement Council's strategy to give greater responsibility to communities for managing infrastructure.	Progress Delayed	Council has continued to work with s.86 and similar committees to support the community to take greater responsibility for management and maintenance of community infrastructure. Council will review its approach to the management of community infrastructure to give effect to the priorities of the new Council Plan.
Develop and deliver services with consideration of the impacts on the natural environment that meet community needs.	Develop and deliver services with consideration of the impacts on the natural environment that meet community needs.	Completed	Council ensured that site inspections were undertaken prior to construction and major maintenance work being undertaken to protect and minimise any impacts on the environment.

The following statement provides the results of the prescribed performance indicators and measures including explanation of material variations.

REPORT OF OPERATIONS

Service Performance Indicators Service/ <i>indicator</i> /measure	Results 2017	Material Variations
Animal Management Service standard <i>Animals reclaimed</i> [Number of animals reclaimed / Number of animals collected] x100. Service cost <i>Cost of animal management service</i> [Direct cost of the animal management service / Number of registered animals]. Health and safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions].	71.01% \$33.89 0.00	No material variations for 2016/17. No material variations for 2016/17. No dangerous animal declarations were issued during 2016/17.
Food Safety Service standard <i>Food safety assessments</i> [Number of registered class 1 food premises and class 2 food premises that receive an annual food safety assessment in accordance with the Food Act 1984 / Number of registered class 1 food premises and class 2 food premises that require an annual food safety assessment in accordance with the Food Act 1984] x100. Service cost <i>Cost of food safety service</i> [Direct cost of the food safety service / Number of food premises registered or notified in accordance with the Food Act 1984]. 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.	88.89% \$591.15 100.00%	No material variations for 2016/17. No material variations for 2016/17. No material variations for 2016/17.
Roads Satisfaction of use <i>Sealed local road requests</i> [Number of sealed local road requests / Kilometres of sealed local roads] x100. Condition <i>Sealed local roads below the intervention level</i> [Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads] x100.	0.88 89.96%	Although increasing in 2016/17, the amount of local road requests received per kilometre of sealed local roads remains well below the state average of 36.56, or 24.77 for small rural councils. No material variations for 2016/17

REPORT OF OPERATIONS

Service Performance Indicators Service/indicator/measure	Results 2017	Material Variations
Service cost <i>Cost of sealed local road reconstruction</i> [Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed].	\$53.68	Further cost reductions were obtained in 2016/17 through strategic procurement initiatives and work scheduling arrangements to maximise Council's road program in accordance with budget availability.
Service Cost <i>Cost of sealed local road resealing</i> [Direct cost of sealed local road resealing / Square metres of sealed local roads resealed].	\$7.82	No material variations for 2016/17.
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].	46.00	Council invested nearly \$4.3million in the upgrade and renewal of local roads in 2016/17. The decrease in satisfaction is thought, in part, to reflect some community dissatisfaction of major works undertaken on non-Council roads during 2016/17, which may be incorrectly assumed to have been performed by Council.
Statutory Planning Timeliness <i>Time taken to decide planning applications</i> [The median number of days between receipt of a planning application and a decision on the application].	37.00	Council's average of 37 days to issue a decision on planning permits is substantially inside the 60 day requirement under the Planning Act.
Service standard <i>Planning applications decided within 60 days</i> [Number of planning application decisions made within 60 days / Number of planning application decisions made] x100.	87.00%	Council recorded further efficiency improvements in 2016/17 in its statutory planning service due to a number of initiatives introduced.
Service cost <i>Cost of statutory planning service</i> [Direct cost of the statutory planning service / Number of planning applications received].	\$1,758.04	In the 2016-2017 financial year, 249 applications were received which is an increase of 14.7% on the previous year.
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.	66.67%	Of the three decisions made by Council that were referred to VCAT during 2016/17, two were upheld at VCAT, with only one decision overturned.

REPORT OF OPERATIONS

Service Performance Indicators Service/indicator/measure	Results 2017	Material Variations
Waste Collection		
Satisfaction		
<i>Kerbside bin collection requests</i> [Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households] x1000.	10.00	No material variations for 2015/16
Service standard		
<i>Kerbside collection bins missed</i> [Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts] x10,000.	1.51	No material variations for 2015/16
Service cost		
<i>Cost of kerbside garbage bin collection service</i> [Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins].	\$64.91	The introduction of the weighbridge at Council's landfill in Alexandra has allowed for improvement in the measurement of costs associated with waste collection and recycling which has reduced the reliance on estimates for these areas. Joint procurement initiatives with neighbouring councils for waste collection services have also seen cost prices reduce.
Service cost		
<i>Cost of kerbside recyclables collection service</i> [Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins].	\$56.09	The introduction of the weighbridge at Council's landfill in Alexandra has allowed for improvement in the measurement of costs associated with waste collection and recycling which has reduced the reliance on estimates for these areas. Joint procurement initiatives with neighbouring councils for waste collection services have also seen cost prices reduce.
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.	36.30%	The proportion of material recycled by households and businesses through the kerbside system in 2016-17 was 34.2%. At Council's Resource Recovery Centres, 65% of waste entering the site is recycled. The overall diversion of waste from landfill is 36.3%, exceeding the target diversion rate of 35%.

Services related to this theme

- Development Approvals
- Building Services
- Fire Prevention
- Environmental Health
- Local Laws
- Infrastructure Operations
- Waste and Recycling
- Infrastructure Assets
- Engineering Design and Management
- Roads, Bridges and Drainage
- Facilities Maintenance
- Asset Management

Our Economy

Workforce Development

Strategic Objective – What we will do

We will maximise the potential of the local workforce through education, training and employment opportunities

Improving Business Infrastructure

Strategic Objective – What we will do

We will advocate for the provision of infrastructure and services that supports business growth

Achievements

Significant support was provided for the staging of the final day of the Jayco Herald Sun Tour in Kinglake.

The Doing Business Better program was delivered in partnership with Murrindindi Inc. and included training and workshops covering customer service, financial management and online marketing, and the nominations and judging for the Murrindindi Business Excellence Awards.

The expansion of the Yea Saleyards is on track to be completed in accordance with the Australian Government Grant specifications and timelines (as amended). The official opening has been tentatively scheduled for late 2017.

PlanSmart was launched at a Business Forum held at Holmesglen at Eildon in November 2016 which provides an online tool to assist local businesses to plan for emergencies with the safety of their guests as the prime focus.

The Climate Smart Agricultural Development project was completed with the on-line tool and information ready for use in better understanding the impacts of climate change on the agricultural sector in the region.

The first, purpose-built house boat manufacturing facility in many decades was fast tracked with Council support and became operational in the Eildon industrial precinct.

Council continued to advocate for the roll out of the mobile phone blackspot (improvement) program and the National Broadband Network, with funding for a ninth mobile phone tower/base station (located at Mt Dom Dom) announced.

The value of commercial and industrial building permits for the year was \$11,000,926. This represents a 40.9% increase on the previous year. The overall value of building works in Murrindindi Shire increased significantly to \$19,776,432 for 2016-17 compared to \$26,240,186 for the previous year.

Investment Attraction

Strategic Objective – What we will do

We will support local business retention and growth and attract new business and residential investment to the Shire

Tourism Development

Strategic Objective – What we will do

We will increase the economic, social and cultural benefits to the Shire of a growing tourism sector

Challenges

- Leveraging and promoting the natural assets of Murrindindi Shire to drive increased visitation and recreation delivering economic benefit to our communities.
- Attracting new investment and supporting our existing businesses to grow.
- Supporting businesses to access the skills they need to thrive.
- Supporting an environment that is an attractive place to live, with employment, housing opportunities and the services that matter.
- Advocating for infrastructure and services that enable businesses to stay and grow within the Murrindindi Shire.
- Understanding the best opportunities for increasing the value of our agricultural production in a sustainable manner.

Looking Forward

- Building on initiatives such as the Development Assessment Team to continue to enhance a customer orientated approach to investment attraction and ensuring we perform at a high level across our regulatory functions.
- Continuing to advocate for improved infrastructure, particularly telecommunications, and for access to and investment in public land to harness economic opportunities, particularly related to recreation and visitation.
- Supporting and encouraging local businesses including through networks, mentoring, access to skills and a range of other services.
- Supporting development and delivery of events and the development of products, experiences and visitor services that attract visitors and leverage our natural assets.
- Strengthening our marketing and promotion of our investment and tourism offer.

Council Plan activities

4.1 Workforce Development – We will maximise the potential of the local workforce through education, training and employment opportunities

Key Performance Indicators

Year 4 Key Performance Indicators	Target	Status	Comments
Number of training and/or workforce development initiatives implemented that address needs identified in the Murrindindi Training Needs Analysis 2013.	2 new initiatives per annum.	Target achieved	<ol style="list-style-type: none"> 1. A survey to various local businesses/industry sectors was used to identify the type of training required, (followed by provision of that training via a range of training providers). This was a key priority of the Murrindindi Training Needs Analysis 2013, which identified the need for key industry stakeholders and training organisations to communicate and collaborate in delivering relevant training programs. 2. Through the Doing Business Better initiative, training was provided in customer service, financial management and online marketing among other offerings. <p>Strong collaboration was evident with key stakeholders being involved in training and workforce development including Murrindindi Incorporated, Alexandra CEACA, the Central Ranges Local Learning and Employment Network and Council.</p>

Workforce Development Year 4 Actions

Council Plan Strategy	Year 4 Action	Status	Comment on progress and outcomes
Advocate for and support initiatives to improve post-secondary education opportunities in the Shire, including development of the Murrindindi Training Institute.	Continue to advocate and support the provision of education and training opportunities within the Murrindindi Shire.	Ongoing	The Murrindindi Training Needs Analysis has been reviewed and funding sought through the Doing Business Better grant to progress a refresh of the document. This work will assist Council to understand areas for advocacy and action in partnership with regional stakeholders.
Support initiatives and activities of the Murrindindi Strategic Skills Training and Employment Network.	Support initiatives and activities of the Murrindindi Strategic Skills Training and Employment Network.	Withdrawn	This action cannot be further progressed as the Network has disbanded, however Council continued to work closely with training providers and other stakeholders such as the Central Ranges Local Learning and Employment Network, CEACA and Murrindindi Inc. to promote and support workforce development across the Shire.
Work closely with the Central Ranges Local Learning and Employment Network (CRLLEN) to improve local workforce development opportunities.	Work closely with the Central Ranges Local Learning and Employment Network (CRLLEN) to improve local workforce development opportunities.	Completed	Council assisted with the promotion of the CRLLEN initiative '100 ways in 100 days', to find ways for 100 young people to transition from school into meaningful employment, study or training was launched at the Yea High School in August 2016. 158 new opportunities for young people were generated across the region with many in the Shire. Funding from the CRLLEN to support the Doing Business Better - Stage 1 project was secured. The funding aided delivery of business training/workshops and networking events as well as the Murrindindi Business Awards scheduled for July 2017. The CRLLEN sponsored the Young Business Person of the Year category in the Awards.

4.2 Improving Business Infrastructure – We will advocate for the provision of infrastructure and services that supports business growth

Key Performance Indicators

Year 4 Key Performance Indicators	Target	Status	Comments
Number of actions implemented from the Council's Economic Development Strategy.	4 initiatives implemented per annum.	Target achieved	<p>Council's Economic Development Strategy was developed for the period 2011-2016. A range of actions were delivered that were consistent with the strategy despite the strategy ending in 2016.</p> <p>Initiatives or actions included:</p> <ol style="list-style-type: none"> 1. Supporting Goulburn River Valley Tourism to develop content, launch and promote the consumer facing website and the third edition of the "Discover the Heart of Victoria" planner. 2. Providing support to local event organisers enabling them to access widespread promotions through the Australian Tourism Data Warehouse (ATDW) website. 3. Doing Business Better business training workshops. 4. Doing Business Better industry networking events. <p>The Murrindindi Shire Council Plan 2017 - 2021 will provide direction for a renewed economic blueprint.</p>
Number of initiatives to improve business infrastructure and service.	2 initiatives per annum.	Target achieved	<ol style="list-style-type: none"> 1. Advocacy and support relating to the roll out of the mobile phone blackspot (improvement) program and the National Broadband Network saw a ninth mobile phone tower/base station (located at Mt Dom Dom) announced, funded as part of the second round of the Federal Government's Mobile Blackspots program. The first of the previous eight funded base stations (Devil's River), become operational in December 2016. 2. NBN and Mobile Phone information brochures "Top Tips for phones and internet" were made available on line and at Council offices to enhance the opportunity by businesses and local residents to maximise utilisation.

Improving Business Infrastructure Year 4 Actions

Council Plan Strategy	Year 4 Action	Status	Comment on progress and outcomes
Support the development and implementation of the Hume ICT (Digital) Strategy and the Hume NBN Business Readiness Plan.	Provide opportunities for mobile phone providers to establish the provision of additional infrastructure to address the blackspots in Murrindindi Shire.	Completed	<p>Officers supported the advocacy efforts of the regional Telecommunications Action Group established by the Office of the Federal Minister for Indi.</p> <p>A further mobile phone base station to be located at Mt Dom Dom was funded in Round 2 of the Federal Government's mobile blackspots program, bringing the total to nine new towers/base stations for Murrindindi Shire under that program.</p> <p>The Devil's River Tower became operational leading to significant improvements to coverage in Taylor Bay and across heavily utilised sections of Lake Eildon.</p> <p>Four planning applications for a number of other towers/base stations were received with three of those applications under the black spot funding program. A total of six applications have been received for the financial year with four being black spot funding and three of those still outstanding.</p>
Support further growth and development of the Yea Saleyards subject to the availability of grant and reserve funds.	Complete the project to expand the Yea Saleyards.	Ongoing	All construction for the expansion of the Yea Saleyards is on track to be completed in accordance with the Australian Government Grant specifications and timelines (as amended). The official opening has been tentatively scheduled for late 2017.
Facilitate opportunities to increase utilisation of available land (e.g. industrial, commercial and government owned) in the Shire.	Enhance the provision of data access to support existing and potential future business opportunities	Completed	<p>Interaction with NBNCo and a range of service providers increased dramatically in the reporting period. Officers received and processed Land Access and Activity Notices (LAAN) relating to the NBN installation process and provided advice on any planned capital works.</p> <p>NBN services went live across parts of the Shire with further infrastructure under construction. Planning permits were approved for NBN towers in Kinglake West and Flowerdale.</p> <p>Access to information was provided to residents and businesses via the Australian Communications Consumer Action Network (ACCAN) consumer guide featuring Top Tips for internet and phone consumers. The guides were made available in hard copy at Council Offices and online. Updates from NBNCo regarding rollout timelines and locations were provided via Council's website and the local business and tourism association email database.</p>

4.3 Investment Attraction – We will support local business retention and growth and attract new business and residential investment to the Shire

Key Performance Indicators

Year 4 Key Performance Indicators	Target	Status	Comments
Value of new commercial and industrial building developments.	3% increase per annum.	Target achieved	<p>The value of commercial and industrial building permits for year was \$11,000,926. This represents a 40.9% increase on the previous year.</p> <p>This increase can be explained by a number of key developments within the Shire that are larger than the norm supplemented by a wide range of smaller developments including industrial and manufacturing shedding, educational buildings and agribusiness infrastructure.</p>
Number of investment attraction events/ initiatives delivered.	2 per annum.	Target achieved	<p>A range of investment attraction initiatives were delivered including promotion of the Murrindindi Business Investment Prospectus at local business forums and presentations for the Federal Member for Indi, Cathy McGowan.</p> <p>Regional Development Victoria officers attended a familiarisation session focusing on the rapidly growing Eildon houseboat sector and local businesses needing support to resolve information technology issues.</p> <p>The online Climate Smart Agricultural Development project was completed with the on-line tool and supporting written reports ready for use.</p>

Investment Attraction Year 4 Actions

Council Plan Strategy	Year 4 Action	Status	Comment on progress and outcomes
Implement a business attraction and investment campaign.	Assess proposals for appropriate seed funding to support the establishment of new and expanded businesses or associated development in the Shire.	Progress delayed	Seed funding guidelines (including a selection criteria filter) have been drafted and will be finalised for Council's consideration once the Priority Action Plan 2017-2018 is finalised and alignment with the new Council Plan is confirmed.
	Deliver the Murrindindi Investment Prospectus and Plan Smart initiatives.	Completed	<p>The Murrindindi Investment Prospectus was delivered in the previous financial year, and is being used to attract investment, business and people to Murrindindi Shire. Examples include:</p> <ul style="list-style-type: none"> • Over 40 new investment opportunities were registered and facilitated. • Over 25 pre-application development meetings with Council's Development Assessment Team for more substantive projects, including on-site visits/discussions. • Direct support was provided to a number of investors with the commissioning of land capability and traffic management assessments and the provision of specialised urban design advice. <p>An information session and launch of the PlanSmart program was delivered at a Business Forum held at Holmesglen at Eildon in November 2016.</p> <p>An implementation plan for PlanSmart has been prepared and will be funded as part of Doing Business Better - Stage 2.</p>

Investment Attraction Year 4 Actions CONTINUED

Council Plan Strategy	Year 4 Action	Status	Comment on progress and outcomes
Investigate opportunities to attract investment in residential facilities for retiree and aged sectors.	Investigate opportunities to attract investment in residential facilities for retiree and aged sectors.	Completed	<p>Opportunities in aged care and residential development were showcased through the provision of the Murrindindi Investment Prospectus document and website. Development and process advice relating to four potential development sites, in some of the larger townships was provided to potential investors whose focus was on retirement living and/or aged care provision.</p> <p>A process of collaboration across service providers to investigate barriers to service and opportunities in the retiree and aged care sector continued throughout the reporting period.</p>
Identify and promote opportunities for growth in housing and business development in and around the Shire's main townships.	Identify and promote opportunities for growth in housing and business development in and around the Shire's main townships.	Completed	<p>As outlined above, over 40 new investment opportunities were registered and facilitated and over 25 pre-application development meetings (for more substantial developments) were held. Direct support was also provided in some cases to assist with relevant assessments and plans.</p> <p>Following the development of a multi lot development plan, a Council owned site in the retail precinct in Marysville was sold to a potential developer.</p> <p>Strong support was provided to a manufacturing business from outer eastern Melbourne leading to the business relocating to the Pheasant Creek industrial precinct bringing with it seven new jobs.</p> <p>The first, purpose built house boat manufacturing facility in many decades was fast tracked and became operational in the Eildon industrial precinct.</p> <p>Council hosted a number of site tours of the Yea Saleyards facility with a view to assessing and encouraging potential investment in the wider precinct.</p>
Facilitate business and community groups to attract new business and residential investment in the Shire.	Continue to assist Murrindindi Inc. to deliver the Better Business program of business events including the Business Excellence Awards.	Completed	<p>The nomination and application process for the 2017 Murrindindi Business Awards was promoted widely. Nominations and applications were received in all six categories. Following a recruitment process and an awards judge's induction day, the judging panels for each category were established with 22 local people being involved. The awards ceremony was held on 25 July 2017, in the Yea Shire Hall.</p>

4.4 Tourism Development – We will increase the economic, social and cultural benefits to the Shire of a growing tourism sector

Key Performance Indicators

Year 4 Key Performance Indicators	Target	Status	Comments
Tourism visitation to the Shire .	3% per annum increase in day trips.	Measure not available	Access to tourism visitation data for day trips via Goulburn River Valley Tourism only became available again in June 2017. Due to sample sizes in that data, the accuracy of the statistics is uncertain. It is anticipated that the data for 2017-2018 will be more reliable.
Tourism visitation to the Shire .	3% per annum increase in overnight stays.	Measure not available	Access to tourism visitation data for overnight stays via Goulburn River Valley Tourism only became available again in June 2017. Due to sample sizes in that data, the accuracy of the statistics is uncertain. It is anticipated that the data for 2017-2018 will be more reliable.
Visitation to Visitor Information Centres.	3% per annum increase in visits.	Target not achieved	<p>The number of visitors to the four Visitor Information Centres (VICs) for the fourth quarter totalled 21,118 and the annual total was 84,043. This represents a 10.5% decrease on the previous 12 months.</p> <p>The Yea VIC (housed in the Y Water Discovery Centre) was the only Centre that registered an increase at 5.3%. The other Centres all registered decreased visitation with Alexandra down 19.3%, Eildon down 18.8% and Marysville down 16.9%.</p> <p>The Yea figures reflect a positive outcome due to strong promotion and marketing activities including a growing events calendar based at the Centre, TV and print media advertising and social media promotions.</p> <p>A number of factors could be responsible for the downturn at the other Centres and they include reduced hours of operation as well as a degree of instability and illness among staff and volunteers.</p> <p>Specifically, in Marysville's case, the reduction in mid week school groups visiting the Phoenix museum (as a consequence of the opening of a new Bushfire Education Centre nearby) and a poor snow season in 2016 would have had a negative impact on visitation to that VIC.</p>

Tourism Development Year 4 Actions

Council Plan Strategy	Year 4 Action	Status	Comment on progress and outcomes
In partnership with Goulburn River Valley Tourism Limited, actively encourage investment and support development of new tourism product and attractions as a result of the Destination Management Plan.	Continue to support the partnership with Goulburn River Valley Tourism Limited.	Completed	<p>Council provided significant support, alongside GRVT and other agencies, to the delivery of the Jayco Herald Sun Tour in Kinglake. Council has advocated to the Victorian government for continued support for the tour and its return to Kinglake.</p> <p>Officers also continued to coordinate (alongside GRVT) local tourism activities including but not limited to: managing activities and promotion of the Y Water Discovery Centre and developing content and installation of the new Yarck tourism information board as part of the Yarck streetscape Revitalisation project. Installation of the Eildon Visitor Information Board was completed.</p>
Maintain strong relationships with government departments and agencies to promote enhanced tourism opportunities and infrastructure in the Shire such as the Giant Trees Trail.	In Partnership with other agencies, undertake a feasibility study for the Giant Trees Trail linking all our State and National Parks.	Progress delayed	A scope of works for the feasibility study has been prepared and is ready to commence pending identification of a suitable funding and agreement with partners.
Assess the feasibility of extending the Great Victorian Rail Trail from Alexandra to Eildon.	Complete the design and cultural planning work for the proposed trail link between Alexandra and Eildon.	Completed	Council successfully completed the design and planning work for the extension of the Great Victorian Rail Trail from Alexandra to Eildon. This work included a cultural heritage survey and the project is now "shovel ready" should funding become available.

Services related to this theme

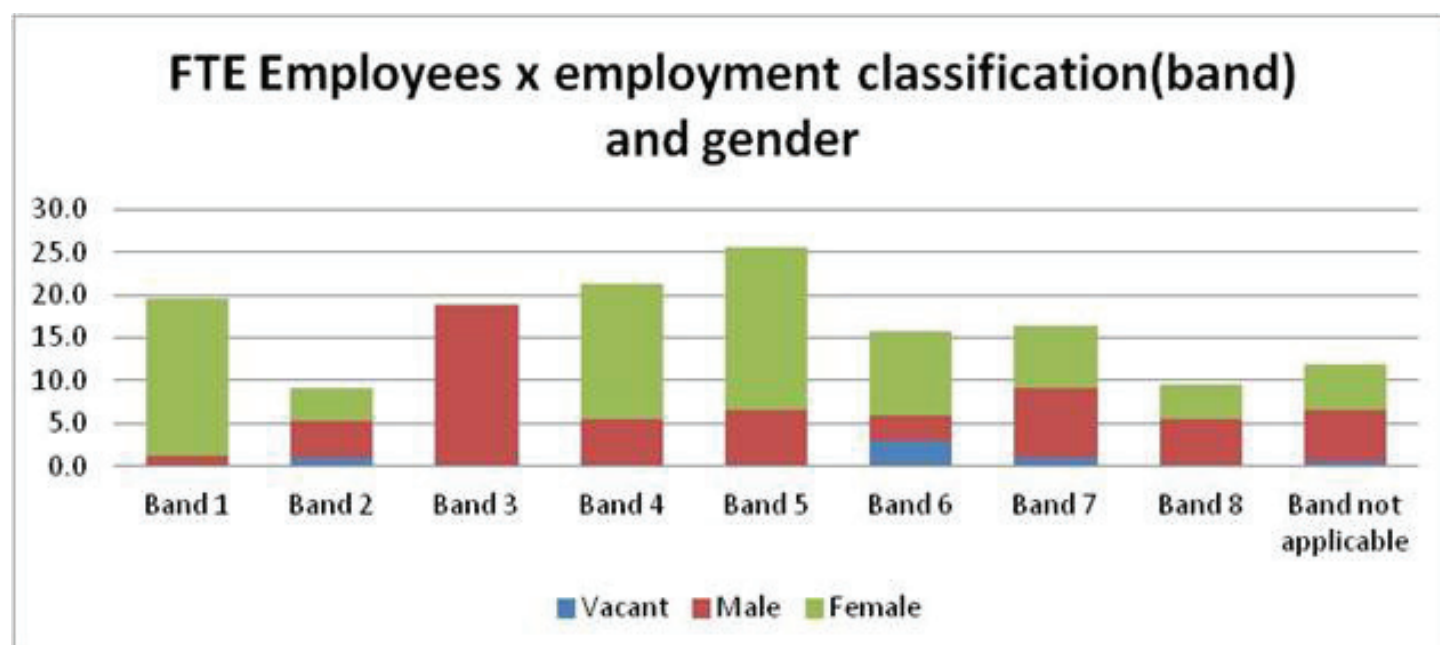
- Economic Development
- Event Coordination
- Tourism
- Yea Saleyards

Corporate Development – Our Organisation

Workforce Profile

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

Employment Classification	Female FTE	Male FTE	Vacant FTE	Total FTE
Band 1	18.38	1.26		19.64
Band 2	3.82	4.29	1.0	9.11
Band 3	0.16	18.66		18.82
Band 4	15.79	5.43		21.22
Band 5	18.89	6.60		25.49
Band 6	9.76	3.00	3.00	15.76
Band 7	7.28	8.11	1.10	16.49
Band 8	3.95	5.53		9.47
Band not applicable	5.20	6.00	0.60	11.80
Grand Total	83.22	58.88	5.70	147.80

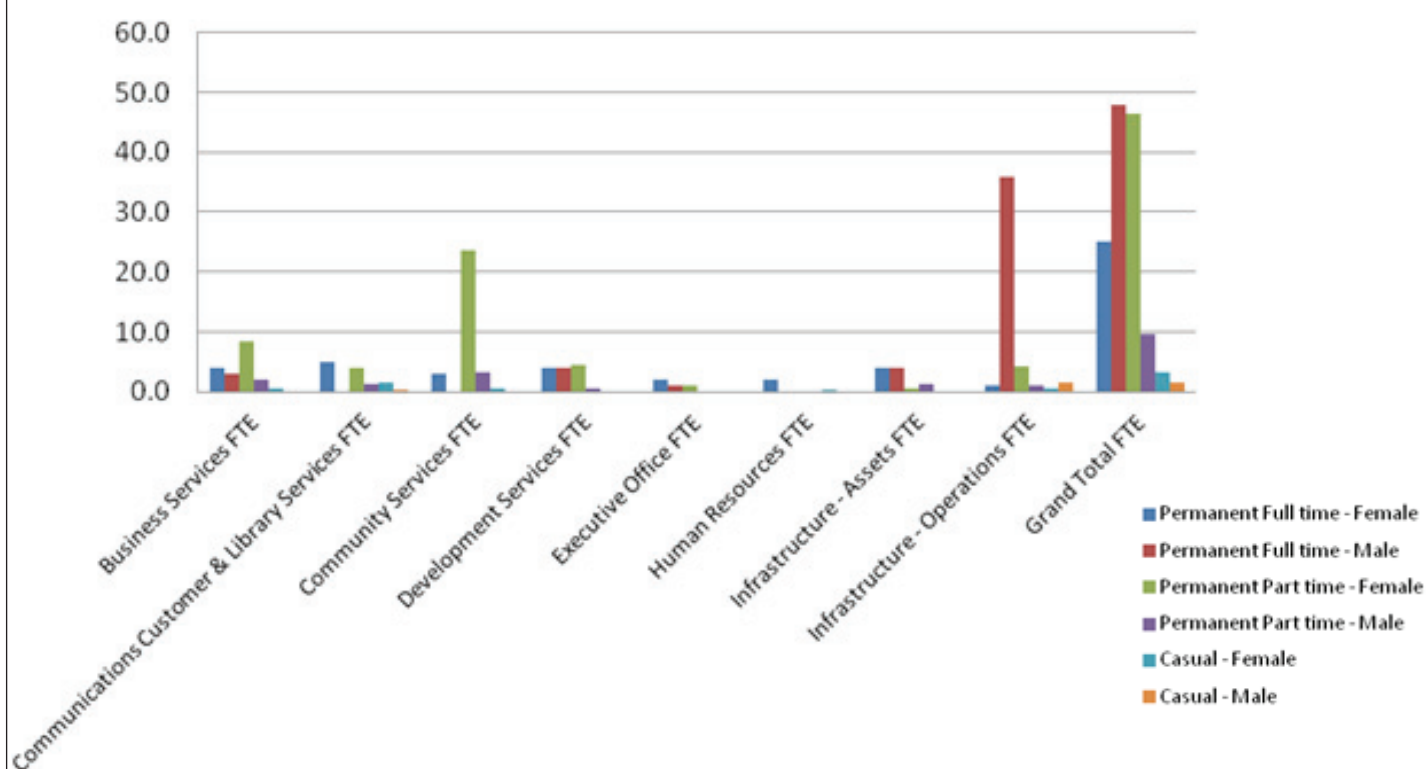


A summary of the number of Full Time Equivalent (FTE) staff categorised by organisational structure, employment type and gender is set out below:

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	5.00	4.92	5.00	5.00	1.00	2.00	4.00	2.00	28.92
Perm FT - Male	3.00			4.00	2.00		4.00	33.0	46.00
Perm FT - Vacant		1.00					1.00	1.00	3.00
Perm PT – Female	7.01	4.71	23.47	3.61	1.00		0.60	4.21	44.63
Perm PT - Male	2.00	1.28	2.81	0.60			0.80	1.79	9.27
Perm PT - Vacant	0.30		0.60	0.60				0.20	1.70
Casual - Female		2.33	4.12	0.42				0.81	7.68
Casual - Male		0.08	0.53						0.61
Temp - Female			1.00					2.00	3.00
Temp - Male							1.00	2.00	3.00
Temp - Vacant							1.00		1.00
Total	17.31	14.31	36.5	14.23	4.00	2.00	12.40	47.01	147.80

Key: Perm = Permanent FT = Full time PT = Part time

FTE Employees by gender and department*



*This table excludes vacant positions



Training and Development

Council continued to focus on providing a comprehensive training and development program to ensure that employees have the skills and knowledge to perform their roles, meet compliance requirements and to support their career development. Council ran a procurement process to select a panel of training providers to deliver professional development in a range of categories and supplement online learning.

In 2016-2017 Council achieved strong participation in diverse training to meet the requirements of our training needs' assessment. Over the year staff participated in 743 staff training days. The delivery of onsite training included (in addition to those listed under OHS);

- Certificate IV Leadership & Management
- Diploma Leadership & Management
- Diploma Business
- First Aid/CPR
- Community Engagement
- Dealing with Difficult Customers
- Child protection forum
- The Emotionally Intelligent Leader
- LGPro Women's Forum
- Anaphylaxis
- Anti-Discrimination & Bullying
- Children in the driver seat conference
- Leading Change
- Induction to Local Government
- Challenges of a service review
- Change Management Masterclass
- Consumer Protection
- Evidence Based Performance Management Workshop
- Procurement In-house training
- Resilience & Personal Productivity
- Business Continuity Training
- Communication Access eLearning Package
- Young Worker Safety
- Awareness of childrens' needs in an emergency
- Past, Present and future Building regulations
- Incident Response & Management
- Contact Officer Training
- Adobe Illustrator
- Mapping
- VicRoads Agency
- Executive Leadership Program (XLP)
- Emerging Leaders Program
- Mental Health First Aid
- Managing Mental Ill Health in Workplace
- Warden & Fire Extinguisher Training
- Managing Meetings & Minutes
- Customer Service Workshop
- OHS 5 Day Initial Rep Training
- Protection works training
- Manual Handling Training
- Social Media
- Protected Disclosure Coordinator Forum
- Design Workplace Learning Videos
- Emotionally Intelligent Leader
- Letter writing
- Leadership Skills for EA & Admin
- Digital Disruptor Workshop

Staff Satisfaction Survey

A Staff Satisfaction Survey was not scheduled during the year under review. Council has continued to focus on areas for improvement identified in the review conducted in October 2015, including better communication by senior leadership, innovation, improving how we use data, and resourcing work. Pleasingly, the indicators for overall staff satisfaction and staff engagement both improved and remain relatively high compared to the previous 5 years.

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), and
- Delivery of peer nominated annual awards by the Mayor and Chief Executive Officer to recognise services delivered in line with organisational values.
- Councillor-initiated expressions of gratitude for effort and achievement in supporting corporate goals.

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 works to ensure employees are treated on the basis of their abilities and merit, and work in an environment which is free of discrimination and harassment.

Council appointed new Contact Officers to replace retired employees. All received Contact Officer training.

All new employees are inducted in EEO and related policies both online and in person.

Staff Code of Conduct

The Murrindindi Shire Council Code of Conduct was updated in 2016-2017 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 responsively, 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.

Internal Communications

Council used its staff intranet to communicate internally, and to provide staff with the tools to ensure delivery of the best possible customer service to the community. The Intranet is crucial to the successful induction of new staff and provides a single focal point for access to a range of information. Council promoted use of the intranet among staff, including use of an internal calendar of events and the 'Daily Update' module to ensure cross-organisational communication.

The staff newsletter The Murricle was published fortnightly and contained articles on professional, informative or social topics, including strategic overviews from the CEO. A number of departments also produced service-specific newsletters for their staff or customers.

Other forms of internal communication include monthly staff meetings, departmental meetings, Council Depot meetings and bi-monthly customer service meetings to bring together staff from all three customer service locations. General Managers have also introduced fortnightly briefings on strategic issues.

Corporate Development – Our Council

Integrated Planning Framework

Murrindindi Shire Council has 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.

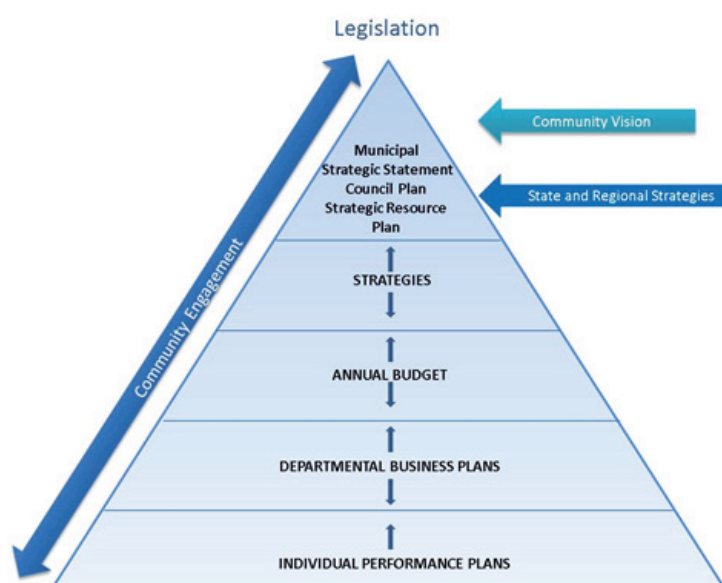


Figure 2: Integrated Planning Framework

The Integrated Planning Framework ensures the Council Plan Strategic Objectives are linked to the implementation of adopted strategies that are funded and resourced through the Annual Budget.

Council then measures and monitors its performance on the implementation of the Council Plan and reports both internally and to its community as required.

Council receives quarterly reports 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 elected Councillors were sworn in on 9 November 2016, as part of this Special Meeting of Council each of the Councillors signed the Code of Conduct, witnessed by the Chief Executive Officer.

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 Councillor remuneration and allowances remained at the 2015-2016 arrangement until the election in October 2016. The 2015-2016 allowance paid to the Mayor of Murrindindi Shire Council was \$57,812 with the provision of a corporate standard vehicle, and an amount equivalent to 9.5% superannuation. The allowance paid to Murrindindi Shire Councillors was \$19,350 plus an amount equivalent to 9.5% superannuation for the 2015-2016 year.

All councillors were provided with a tablet device and mobile phone to assist them in fulfilling their duties as councillor. 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.

Following the Council elections in October 2016, the Minister for Local Government issued revised guidelines on Mayoral and Councillor allowances that came into effect from 1 December 2016. This increased the Mayoral and Councillor allowance rates by 2.5% (to \$59,257.30 for the Mayor and \$19,833.75 for other Councillors).

Further detail regarding allowances and expense entitlements is contained in the *Councillor Reimbursement Policy* reviewed on 22 February 2017 and again 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 new Councillors are: Cr Sandice McAulay (Cathedral Ward); Cr Rebecca Bowles (Cheviot Ward); Cr Jackie Ashe (Eildon Ward); Cr Eric Lording (King Parrot Ward – returned); Cr Leigh Dunscombe (Kinglake Ward), Cr Charlotte Bisset (Koriella Ward); Cr Margaret Rae (Red Gate Ward – returned).

Each year the seven councillors elect the Mayor and Deputy Mayor. At a Special Meeting on 9 November 2016, 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 and on Council's 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.

Agendas for Council meetings are made available no less than 48 hours prior to 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, set allowances for the Mayor and Councillors. This meeting was held on 9 November 2016.

Council meeting attendances for 1 July 2016 to 22 October 2016

*The Councillor position for the Kinglake Ward was vacant

	Ordinary Council Meetings		Special Meetings	
	Eligible to Attend	Attended	Eligible to Attend	Attended
Cr M Rae, Mayor	4	4	2	2
Cr J Walsh	4	3	2	2
Cr C Challen	4	4	2	2
Cr J Kennedy	4	4	2	2
Cr C Healy	4	4	2	2
Cr E Lording	4	4	2	2

Council meeting attendances for 9 November 2016 to 30 June 2017

	Ordinary Council Meetings		Special Meetings	
	Eligible to Attend	Attended	Eligible to Attend	Attended
Cr C Bisset, Mayor	8	8	4	4
Cr S McAulay	8	8	4	4
Cr J Ashe	8	7	4	3
Cr R Bowles	8	8	4	4
Cr L Dunscombe	8	7	4	4
Cr E Lording	8	7	4	2
Cr M Rae	8	8	4	4

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 14 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 ensure a better understanding of issues of importance to the community associated with their portfolio and to report to Council meetings on points of interest that fall under that portfolio.

1 July 2016 to 22 October 2016

Councillor	Portfolio
Cr Margaret Rae	The Mayor does not hold a portfolio
Cr John Walsh	Natural Environment and Climate Change
Cr Christine Challen	Land Use Planning
Cr John Kennedy	Economic Development
Cr Chris Healy	Corporate and Customer Services
Vacant	Community Services
Cr Eric Lording	Infrastructure and Waste

23 November 2016 to 30 June 2017

Councillor	Portfolio
Cr Charlotte Bisset	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

Council appointed Councillors to their respective portfolios at the 23 November 2016 Ordinary Meeting of Council.

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 2016-2017:

• Protected Disclosure Policy – 25 January 2017

The purpose of this Policy is to encourage and support people to make disclosures about improper conduct or any resulting detrimental action. The Policy and associated procedures provide guidance on how to report improper conduct and outlines protections for people making a disclosure or those who may be witness to an investigation.

• Councillor Code of Conduct – 22 February 2017

The Code of Conduct clearly outlines the values, responsibilities and behaviours that are to be observed in keeping good faith and trust with fellow councillors, staff and the community. It is important that all Councillors understand and comply with the Councillor Code of Conduct.

• Councillor Reimbursement Policy – 22 February 2017

The purpose of this Policy is to establish the expense entitlements and requirements for a Councillor in relation to:

- Reimbursement or pre-payment of out-of-pocket expenses incurred while performing duties as a Councillor.
- Support entitlements that will be provided to Councillors to allow them to effectively carry out their duties.

• Street and Public Lighting Installation Policy – 22 February 2017

The purpose of this Policy is to:

- Provide a framework for assessing the need for new street and public lighting installations.
- Provide an equitable and consistent approach to responding to requests for new street lighting or public lighting installations received by Council from members of the community.

• Communications and Social Media Policy – 22 March 2017

The purpose of this Policy is to enhance Murrindindi Shire Council's communication with its community and other stakeholders. Council will achieve this by communicating via multiple media platforms, including both traditional and digital media, to assist with sharing and exchanging information and ideas in a variety of formats. The Policy will also help to ensure consistency, accuracy and appropriateness of communication across different media platforms.

Policy and strategy reviews (continued)

• Borrowings Policy – 22 March 2017

The purpose of this Policy is to ensure that:

- Council minimises the cost of borrowing funds at the least possible risk.
- Council funds are well managed.
- Council funds are borrowed in accordance with its legislative and common law responsibilities.

• Procurement Policy – 24 May 2017

The purpose of this Policy is to:

- Outline Council's procurement principles.
- Provide guidance on expected ethical behaviour in procurement processes.
- Demonstrate how Council supports the local economy through its procurement practices.
- Ensure consistency and control over procurement activities.
- Demonstrate to ratepayers how value for money is achieved.

• Conflict of Interest Policy – 28 June 2017

This Policy outlines the types of interest which could be subject to a conflict, and sets the disclosure requirements of Councillors, Members of Special Committees, the Chief Executive Officer ("the CEO"), Council employees, committee members and contractors.

• Portfolio Councillor Policy – 28 June 2017

Murrindindi Shire Council has established a system of Portfolio Councillors. The purpose of this Policy is to articulate the role and support to be provided to Portfolio Councillors.

• Councillor Reimbursement Policy – 28 June 2017

The Councillor Reimbursement Policy was reviewed and adapted to incorporate the Councillor Development and Conference Policy.

The purpose of this Policy is to establish the expense entitlements and requirements for a Councillor in relation to:

- Reimbursement or pre-payment of out-of-pocket expenses incurred while performing duties as a Councillor;
- Support entitlements that will be provided to Councillors to allow them to effectively carry out their duties; and
- Support available to Councillors for professional development during their term of office.

Organisational Policies

The following policies were approved at an organisational level by the Murrindindi Shire Council Executive Management Team in 2016-2017:

• Annual Leave Policy – 31 August 2016

This Policy outlines the principles for approval and accrual of annual leave by Council employees. The details of eligibility and entitlements are outlined in Council's Enterprise Agreement.

• Induction Policy – 31 August 2016

This Policy outlines Council's commitment to the induction of new employees and existing employees who are appointed to another position. It also specifies responsibilities for employee induction.

• Occupational Rehabilitation Policy – 23 September 2016

The purpose of this Policy is to provide as far as practicable, suitable employment to injured or ill employees to assist them to return to work following notification of a work-related incident.

• Customer Complaints and Feedback Policy – 6 October 2016

The purpose of this Policy is to provide standards for receiving, managing and responding to feedback provided by customers about Council's performance and to ensure feedback is used to assist the goal of continuous improvement within Council.

• Exit Policy – 14 October 2016

The purpose of this Policy is to strengthen Council's understanding of factors affecting employee retention, in order to improve employee engagement and better manage documentation and return of resources.

• Employee Conduct – 28 October 2016

The purpose of this Policy is to provide a framework to direct and guide Council employees in the course of their employment, and in delivering services and using resources in a manner that is consistent with Council values and statutory requirements.

• Health and Wellbeing Policy – 28 October 2016

The purpose of this Policy is to promote a culture within our workforce where the health and wellbeing of each employees is paramount to the success of our organisation.

• **Job Evaluation and Classification – 10 November 2016**

This Policy guides an objective and transparent process to facilitate and approve job evaluation and classification that will ensure accurate position banding and a consistent approach across Council in compliance with the Victorian Local Authorities Award 2001 and Council's Enterprise Agreement.

• **Smoke Free Workplace Policy – 10 November 2016**

The purpose of the Policy is to protect the health of Council employees, visitors and anyone engaged in Council business by eliminating exposure to environmental tobacco smoke in and around all Murrindindi Shire Council buildings, facilities and plant, including vehicles.

• **Emergency and Defence Services Leave – 10 November 2016**

The purpose of this Policy is to provide guidance for Council employees participating as volunteers with recognised emergency services and Australian defence reserves during working hours.

• **Murrindindi Library Service Policy – 2 March 2017**

The purpose of this Policy is to set standards and requirements for managing library operations for Murrindindi Library Service to ensure this can be achieved according to best practice and good governance.

• **Driver Safety Policy – 3 March 2017**

This Policy aims to ensure Council provides and maintains a safe workplace for staff, including through the safe use of vehicles and plant equipment used for work-related purposes.

• **Consumption of Alcohol and Drugs Policy – 23 March 2017**

The purpose of this Policy is to define Council's commitment to providing employees with a safe and healthy working environment by taking all reasonable steps to mitigate potential risks associated with the use of alcohol and drugs in the workplace. It also provides guidance on managing instances where there is reasonable suspicion that an employee's ability to perform the inherent requirements of their position is impaired due to the effects of alcohol or drugs.

• **Ultraviolet Radiation (UV) and Working in Seasonal Heat – 23 March 2017**

This Policy reinforces Council's obligation to provide a safe and healthy working environment with adequate protection from the hazards that employees may be subject to when working in an outdoor environment. This includes minimising exposure to ultraviolet radiation (UVR) and seasonal heat.

Strategies and Plans

During 2016-2017 Council adopted one plan:

• **Road Management Plan – 24 May 2017**

The Road Management Plan is used to assist Council in fulfilling its road management obligations in respect to those municipal roads within its district.

Auditing

Audit Advisory Committee

The Audit Advisory Committee is an independent advisory committee to Council. The primary objective of the Audit Advisory Committee is to assist Council in the effective conduct of its responsibilities for internal and external financial reporting, management of risk, maintaining a reliable system of internal controls and facilitating the organisation's ethical development. It also serves as a conduit for communications between the external auditor, internal auditor, management and Council.

As of 30 June 2017, the Internal 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 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 Committee met on four occasions during the 2016-2017 financial year, providing advice to Council on a number of important issues including reviews of Council's Business Continuity and Disaster Recovery Planning, Strategic Risk Framework and reviewing Council's budgetary and annual reporting processes.

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

Auditing

Internal Audits

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

During 2016-17 Council's Internal Auditors conducted the following components of the audit program:

- Review of Fraud Management – presented September 2016
- Review of IT Security – presented December 2016
- Review of Accounts Payable – to be presented August 2017
- Review of Payroll Management – to be presented August 2017

External Audits

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

Property Risk Management Audit

Council achieved a grading of 79% in 2016 for the JMAPP Risk Management Audit. This represents an improvement from a 72% result from the audit conducted in 2014-15. Council was ranked third amongst 16 councils in the North-Central Rural segment.

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 access 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 and is available from any of Council's Offices.

Community members are encouraged to contact Council's FOI Officer before lodging an application to receive advice regarding their rights to information under the relevant legislation.

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

Freedom of Information	2016-2017
Access granted in full	1
Access granted in part	9
Access denied in full	2
Withdrawn	Nil
Not proceeded with	1
Act does not apply	Nil
Not processed	1
No documents	3
Outside the Act	Nil
Not yet finalised	2

Protected Disclosures

The *Protected Disclosure Act 2012* advanced integrity reforms in Victoria, including through 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.

Protected Disclosures

2016-2017 Disclosures

Protected Disclosures Topic	Report 2016-2017
Number of disclosures made	Nil
Disclosures referred to Ombudsman for determination	Nil
Disclosures referred by 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 adopted Councillor Code of Conduct 2017.
- All Local Laws adopted by the Council.
- Copies of 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.
- A register of delegations kept under sections 87(1) and 98(4) of the Act, including the date on which the last review took place under sections 86(6) and 98(6), respectively, of the Act.
- A document containing details of all leases involving land which were entered into by the Council as lessor, including the lessee and the terms and the value of the lease.
- A register 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.

Cemetery Management

Murrindindi Shire Council as Trustee for the Yea Cemetery Trust administers the Pioneer and Lawn cemeteries in Yea.

Activities completed with regard to the Yea cemeteries in 2016-17 included:

- Specification of works to improve internal road surface stability in the Yea Lawn Cemetery.
- Minor works to address public risk issues in the Pioneer Cemetery.

Looking Forward:

- Seeking funding to implement initial stages of the Lawn Cemetery Development Plan.
- Development of a Conservation Management Plan for the Pioneer Cemetery, subject to external funding.
- Progressing options for future community management of the two cemeteries.

Governance & 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: 21 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: 21 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: 22 June 2016. Occupational Health and Safety Policy adopted: 22 June 2016.
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: 17 December 2014.
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: 24 May 2017.
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.

Governance and Management Items	Assessment
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 meet 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 (Crowe Horwath) 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 October, February, and April 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, and April 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 2016 and May 2017.
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 2015/16 adopted in accordance with the Act: 19 September 2016.
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.
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: 28 June 2017.
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 presents fairly the status of Council's governance and management arrangements.

Margaret 3 Abbey

Margaret Abbey
Chief Executive Officer
Dated: 27 September 2017

Charlotte Bisset

Charlotte Bisset
Mayor
Dated: 27 September 2017

Donations and Grants provided by Council 2016-2017

RECEIVED BY	AMOUNT
Alexandra Events Corporation Ltd	\$200.00
Alexandra Football Netball Club	\$1,000.00
Alexandra Information Centre	\$3,733.00
Alexandra Pre School	\$2,250.00
Auspicious Arts Project	\$5,000.00
Dame Pattie Menzies Centre Inc.	\$4,800.00
Eildon Community Leisure Centre	\$1,000.00
Eildon Information Centre	\$1,190.00
Eildon Pre School	\$4,700.00
Eildon Resource Centre	\$500.00
Euroa Arboretum Inc	\$5,000.00
Glenburn Hall & Progress Association	\$325.00
Kinglake Ranges Neighbourhood House	\$450.00
Life Saving Victoria	\$3,875.00
Lions Club of Eildon	\$425.00
Lions Club of Marysville	\$750.00
Marysville Motoring Expo	\$1,000.00
Marysville Triangle Business & Tourism	\$3,530.00
Murrindindi Cycle Club	\$500.00
Murrindindi-Woodbourne Community Hub	\$250.00
Rotary Club Alexandra	\$3,476.00
Rotary Club of Kinglake	\$2,000.00
Rotary Club Yea	\$2,450.00
State Emergency Services Alexandra	\$6,523.00
State Emergency Services Kinglake	\$6,523.00
State Emergency Services Marysville	\$6,523.00
Strath Creek Reserve and Hall	\$375.00
Toolangi District Community House	\$1,448.00
Y Water Centre Inc. (Community Grant)	\$5,000.00
Yea Information Centre	\$5,129.00
	\$78,725.00

Organisation memberships for 2016-2017

ORGANISATION	MEMBERSHIP FEE
Local Government Professionals	\$1,172.00
Australian Local Government Job Directory	\$890.00
Municipal Association Of Victoria	\$25,909.00
Family Day Care Australia	\$145.00
Timber Towns Victoria	\$2,500.00
Public Library Victoria Network Inc	\$1,114.00
Institute Public Works	\$1,200.00
National Saleyards	\$500.00
Children's Book Council	\$80.00
Victorian Local Governance Association	\$4,570.00
Goulburn Valley Regional Waste Management Group	\$4,407.00
Meals Victoria	\$80.00
Victorian Maternal & Child Health Coordinators Group	\$75.00
Australian Local Government Womens Association	\$268.00
National In-Home Childcare Association	\$150.00
Youth Affairs Council	\$195.00
National Timber Councils Association	\$2,500.00
Rural Councils Victoria	\$3,000.00
Hume Region Local Government Network	\$1,000.00
	\$49,755.00

Local Government Indicators 2016-2017

The Victorian Government requires all Victorian councils to measure and annually report against seven Victorian Local Government Indicators.

Category	Description	2016-17	2015-16
Overall performance	Community satisfaction rating for overall performance generally of the Council	46	49
Advocacy	Community Satisfaction rating for Council's lobbying on behalf of the community	42	44
Community Consultation	Community satisfaction rating for Council's community consultation and engagement.	42	45
All rates	Average rates and charges per assessment	\$1,970.27	\$1,904.75
Residential rates	Average residential rates and charges per assessment	\$1,827.61	\$1,748.27
Operating costs	Average operating expenditure per assessment	\$3,331.23	\$3,237.78
Capital expenditure	Average capital expenditure per assessment	\$954.82	\$841.71
Infrastructure	Renewal undertaken as a percentage of adopted budget	115.06%	85.70%
	Total capital works completed as a percentage of adopted budget**	129.94%	107.54%
Operating result	Operating result per assessment	\$335.54	\$68.49

**** NB.** It should be noted that the 129.94% of capital works completed for 2016/17 is when measured against Council's original budget, which does not include the carried forward amounts from 2015/16, nor does it include the new grant funded projects that were approved during 2016/17. When measured against the revised budget, Council's total capital works completed is 76.55%.

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 a good business practice.

Understanding the Financial Statements

The financial report of the Murrindindi Shire Council is a general purpose financial report that consists of an Income Statement, Balance Sheet, and Statement of Changes in Equity and Cash Flow Statement together with notes accompanying these statements.

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's employees, examined by the Council Audit Advisory Committee and by Council, and then are 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 the Council.

The Balance Sheet

The Balance Sheet shows a snapshot of Council's financial position as at 30 June 2017. 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 reflects 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.

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.

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.

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 2017

Murrindindi Shire Council
Financial Report
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Comprehensive Income Statement For the Year Ended 30 June 2017

	Note	2017 \$	2016 \$
Income			
Rates and charges	3	19,182,525	18,293,213
Statutory fees and fines	4	849,341	692,421
User fees	5	2,011,358	2,206,192
Grants -operating	6	9,347,717	5,166,427
Grants - capital	6	1,894,792	3,332,588
Contributions - monetary	7	288,723	125,466
Contributions - non monetary	7	554,912	485,854
Other income	9	1,570,308	1,451,269
Total income		<u>35,699,676</u>	<u>31,753,430</u>
Expenses			
Employee benefits	10	12,923,695	12,637,588
Materials and services	11	9,537,835	9,592,393
Bad and Doubtful Debts	12	4,917	2,353
Depreciation and amortisation	13	8,959,143	8,272,031
Borrowing Cost	14	215,314	235,494
Net loss on disposal of property, infrastructure, plant and equipment	8	525,708	59,298
Other expenses	15	266,229	296,511
Total expenses		<u>32,432,841</u>	<u>31,095,668</u>
Surplus for the financial year		<u>3,266,835</u>	<u>657,762</u>
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation increment (decrement)	22	5,230,016	(2,832,566)
Comprehensive result		<u>8,496,851</u>	<u>(2,174,804)</u>

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

Balance Sheet As at 30 June 2017

	Note	2017 \$	2016 \$
Assets			
Current assets			
Cash and cash equivalents	16	4,582,657	3,631,984
Trade and other receivables	17	2,771,315	3,028,486
Other financial assets	18	23,419,500	23,119,500
Inventories	19	45,714	41,493
Non-Current assets classified as held for sale	20	217,047	434,094
Other assets	21	392,078	367,381
Total current assets		31,428,311	30,622,938
Non-current assets			
Trade and other receivables	17	20,366	23,978
Property, infrastructure, plant and equipment	22	306,281,821	300,493,318
Intangible assets	23	3,725,950	3,815,721
Total non-current assets		310,028,137	304,333,017
Total assets		341,456,448	334,955,955
Liabilities			
Current liabilities			
Trade and other payables	24	1,323,958	3,109,153
Trust funds and deposits	25	995,068	973,558
Provisions	26	3,158,641	3,091,734
Interest-bearing loans and borrowings	27	367,646	673,639
Total current liabilities		5,845,313	7,848,084
Non-current liabilities			
Provisions	26	5,973,139	5,599,081
Interest-bearing loans and borrowings	27	986,866	1,354,511
Total non-current liabilities		6,960,005	6,953,592
Total liabilities		12,805,318	14,801,676
Net Assets		328,651,130	320,154,280
Equity			
Accumulated surplus		130,012,077	128,493,089
Reserves	28	198,639,053	191,661,190
Total Equity		328,651,130	320,154,279

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

Statement of Changes in Equity For the Year Ended 30 June 2017

	Note	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)	28(a)	5,230,016	-	5,230,016	-
Transfers to other reserves	28(b)	-	(3,144,950)	-	3,144,950
Transfers from other reserves	28(b)	-	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

		Total \$	Accumulated Surplus \$	Asset Revaluation Reserve \$	Other Reserves \$
2016					
Balance at beginning of the financial year		322,329,083	129,201,956	180,546,911	12,580,216
Surplus for the year		657,762	657,762	-	-
Net asset revaluation increment (decrement)	28(a)	(2,832,566)	-	(2,832,566)	-
Transfers to other reserves	28(b)	-	(2,570,779)	-	2,570,779
Transfers from other reserves	28(b)	-	1,204,150	-	(1,204,150)
Balance at end of the financial year		320,154,279	128,493,089	177,714,345	13,946,845

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

Statement of Cash Flows For the Year Ended 30 June 2017

	Note	2017 Inflows/ (Outflows) \$	2016 Inflows/ (Outflows) \$
Cash flows from operating activities			
Rates		18,996,644	18,105,465
Statutory fees and fines		849,709	705,328
User fees		2,554,339	2,130,661
Grants - operating		9,522,669	4,995,203
Grants - capital		1,903,014	3,360,380
Contributions - monetary		306,931	130,688
Interest received		793,447	833,673
Other Income		787,906	678,248
Net Fire Services Property Levy received (remitted)		36,977	(29,482)
Net GST refund		1,384,908	1,261,816
Net receipt/(repayment) of trust funds and deposits		(15,467)	167,574
Payments to suppliers (inclusive of GST)		(12,596,310)	(10,594,702)
Payments to employees (including redundancies)		(12,857,584)	(12,550,157)
Net cash provided by operating activities	29	<u>11,667,183</u>	<u>9,194,694</u>
Cash flows from investing activities			
Payments for property, plant and equipment, infrastructure		(9,972,113)	(8,545,720)
Payments for intangible assets		(77,473)	-
Proceeds from sale of property, plant and equipment, infrastructure		529,651	543,445
Payments for Investments		(300,000)	(5,500,000)
Net cash used in investing activities		<u>(9,819,935)</u>	<u>(13,502,275)</u>
Cash flows from financing activities			
Finance costs		(222,937)	(244,275)
Repayment of interest bearing loans and borrowings		(673,638)	(768,571)
Net cash used in financing activities		<u>(896,575)</u>	<u>(1,012,846)</u>
Net increase (decrease) in cash and cash equivalents		950,673	(5,320,427)
Cash and cash equivalents at the beginning of the financial year		3,631,984	8,952,411
Cash and cash equivalents at the end of the financial year	16	<u>4,582,657</u>	<u>3,631,984</u>

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

Restrictions on cash assets	16
Financing arrangements	30

	Note	2017	2016
Property			
Land		11	800,000
Total land		11	800,000
Buildings		2,616,464	2,182,673
Total buildings		2,616,464	2,182,673
Total property		2,616,475	2,982,673
Plant and equipment			
Plant, machinery and equipment		699,578	675,409
Fixtures, fittings and furniture		103,556	167,968
Library books		91,596	111,263
Total plant and equipment		894,730	954,640
Infrastructure			
Roads		4,276,696	2,646,463
Bridges		1,022,088	730,466
Footpaths and cycleways		357,961	713,328
Drainage		128,171	55,881
Total infrastructure		5,784,916	4,146,138
Total capital works expenditure		9,296,121	8,083,451
Represented by:			
New asset expenditure		205,513	2,961,665
Asset renewal expenditure		6,901,342	4,080,099
Asset expansion expenditure		880,240	-
Asset upgrade expenditure		1,309,026	1,041,987
Total capital works expenditure		9,296,121	8,083,751

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

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.

Note 1 Significant accounting policies

(a) Basis of accounting

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

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

Revisions to accounting estimates are recognised in the period in which the 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 1 (m)
- the determination of depreciation for buildings, infrastructure, plant and equipment 1 (l)
- the determination of employee provisions 1 (r)

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

(b) Changes in accounting policies

There have been no changes in accounting policies from the previous period.

(c) Principles of Consolidation

Subsidiaries are all entities over which Council has control. Council controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Council. They are deconsolidated from the date that control ceases.

For the current reporting period Council had no controlled entities.

(d) Committees of Management

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

(e) Revenue recognition

Income is recognised when the Council obtains control of the contribution or the right to receive the contribution, it is probable that the economic benefits comprising the contribution will flow to the Council and the amount of the contribution can be measured reliably.

Rates and Charges

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.

Statutory fees and fines

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.

User fees

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

Note 1 **Significant accounting policies (cont.)**
Revenue recognition (cont.)

Grants

Grant income is recognised when Council obtains control of the contribution. This is normally obtained upon their receipt (or acquittal) or upon earlier notification that a grant has been secured, and are valued at their fair value at the date of transfer.

Where grants or contributions recognised as revenues during the financial year were obtained on condition that they be expended in a particular manner or used over a particular period and those conditions were undischarged at balance date, the unused grant or contribution is disclosed in note 6. The note also discloses the amount of unused grant or contribution from prior years that was expended on Council's operations during the current year.

Contributions

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

Sale of property, plant and equipment, infrastructure

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

Other Income

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.

(f) Fair value measurement

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 and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

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

(g) Cash and cash equivalents

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

(h) Trade and other receivables

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

(i) Other financial assets

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.

(j) Inventories

Inventories held for distribution are measured at cost and adjusted when applicable for any loss of service potential.

All other inventories, including land held for sale, are measured at the lower of cost and net realisable value. Where inventories are acquired for no cost or nominal consideration, they are measured at current replacement cost at the date of acquisition.

Note 1 Significant accounting policies (cont.)

(k) Non-current assets classified as held for sale

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.

(l) Depreciation and amortisation of property, plant and equipment, infrastructure, intangibles

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:

	Years
Property	
buildings	30 to 80
Plant and Equipment	
fixtures, fittings and furniture	4 to 20
computers and telecommunications	4 to 10
heritage and cultural	20 to 200
library materials	3 to 10
plant, machinery and equipment	3 to 15
Infrastructure	
bridges- concrete	80 to 100
bridges- timber	30 to 40
drainage	50 to 100
footpaths and cycleways	20 to 70
recreational, leisure and community facilities	30 to 80
road formations and earthworks	100 to 200
road pavements	20 to 40

Depreciation rates are consistent with the previous year.

(m) Recognition and measurement of property, plant and equipment, infrastructure assets

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.

Note 1 Significant accounting policies (cont.)

Recognition and measurement of assets (cont.)

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.

	Threshold \$
Property	
Land	1
Land under roads	1
Land improvements	5,000
Buildings	5,000
Plant and Equipment	
fixtures, fittings and furniture	2,000
computers and telecommunications	2,000
heritage and cultural	1,000
library materials	1,000
plant ,machinery and equipment	2,000
Infrastructure	
bridges	7,500
drainage	5,000
footpaths and cycleways	5,000
road formations and earthworks	5,000
road pavements	5,000

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 22, 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.

Land under roads

Council recognises land under roads it controls at fair value.

(n) 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.

Note 1 Significant accounting policies (cont.)

(o) 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.

(p) Trust funds and deposits

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. (refer Note 25)

(q) Borrowings

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.

Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred, except where they are capitalised as part of a qualifying asset constructed by Council. Except where specific borrowings are obtained for the purpose of specific asset acquisition, the weighted average interest rate applicable to borrowings at balance date, excluding borrowings associated with superannuation, is used to determine the borrowing costs to be capitalised.

Borrowing costs include interest on borrowings.

(r) Employee costs

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

Wages and salaries and leave

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

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

Long service leave

Liability for long service leave (LSL) is recognised in the provision for employee benefits.

Current Liability - unconditional LSL representing 7 years service is disclosed as a current liability even when the council does not expect to settle the liability within 12 months because it will not have the unconditional right to defer settlement of the entitlement should an employee take leave within 12 months.

The components of this current liability are measured at :

- present value - component that is not expected to be settled within 12 months.
- nominal value - component that is expected to be settled within 12 months.

Classification of employee costs

Non-current liability - conditional LSL representing less than 7 years service is disclosed as a non - current liability. There is an unconditional right to defer settlement of the entitlement until the employee has completed the requisite years of service.

This non-current LSL liability is measured at present value.

Liabilities for wages and salaries and rostered days off are recognised and are measured as the amount unpaid at balance date and include appropriate oncosts.

Note 1 Significant accounting policies (cont.)

(s) Landfill rehabilitation provision

Council is obligated to restore the Alexandra 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.

(t) Leases

Operating leases

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.

(u) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the Statement of Cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(v) Financial guarantees

Financial guarantee contracts are not recognised as a liability in the balance sheet unless the lender has exercised their right to call on the guarantee or Council has other reasons to believe that it is probable that that right will be exercised. Details of guarantees that Council has provided, that are not recognised in the balance sheet are disclosed at Note 34 Contingent Liabilities and Contingent Assets.

(w) Contingent assets and contingent liabilities and commitments

Contingent assets and contingent liabilities are not recognised in the Balance Sheet, but are disclosed by way of a note and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

Commitments are not recognised in the Balance Sheet. Commitments are disclosed at their nominal value by way of note and presented inclusive of the GST payable.

(x) Pending accounting standards

The following new Australian Accounting Standards have been issued that are not mandatory for the 30 June 2017 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 2018/19)

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.

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.

Council has a number of operating leases that will be impacted as a result of this change. The value of the impact is yet to be determined.

(y) Rounding

Unless otherwise stated, amounts in the financial report have been rounded to the nearest dollar. Figures in the financial statement may not equate due to rounding.

Note 2 Budget comparison

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 3rd August 2016. 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*.

a) Income and Expenditure

	Budget 2017	Actual 2017	Variance 2017	Ref
Income				
Rates and charges	19,237,000	19,182,525	(54,475)	
Statutory fees and fines	704,000	849,341	145,341	1
User fees	2,082,000	2,011,358	(70,642)	
Grants - operating	7,040,000	9,347,717	2,307,717	2
Grants - capital	2,637,000	1,894,792	(742,208)	3
Contributions - monetary	44,000	288,723	244,723	4
Contributions - non monetary	-	554,912	554,912	5
Other income	1,107,000	1,570,308	463,308	6
Total income	32,851,000	35,699,676	2,848,676	
Expenses				
Employee costs	13,866,000	12,923,695	942,305	7
Materials and services	9,988,000	9,537,835	450,165	
Bad and doubtful debts	-	4,917	(4,917)	
Depreciation and amortisation	8,432,000	8,959,143	(527,143)	8
Borrowing costs	240,000	215,314	24,686	9
Net loss on disposal of property, infrastructure, plant and equipment	33,000	525,708	(492,708)	10
Other expenses	291,000	266,229	24,771	
Total expenses	32,850,000	32,432,841	417,159	
Surplus/(deficit) for the year	1,000	3,266,835	3,265,835	

Note 2 Budget comparison (Cont.)

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Statutory fees and fines	Statutory fees and fines were \$145,000 above budget expectation. Items of extra income included \$78,000 in planning fees due to State Government increases that took effect from September 2016, \$46,000 in building fees due to a number of large developments and increased activity, and \$11,000 extra income from animal registrations.
2	Grants - operating	The Commonwealth Government paid \$2.23 million, being approximately half of the 2017/18 Financial Assistance Grant on the 7 June 2017. This resulted in the amount being reported in the 2016/17 financial year detailing a large budget variation in the 2016/17 reporting period. Family Day Care Services received \$87,000 of additional funding due to increased service level demand. Additional funding of \$79,000 was received for stage 2 of the Doing Business Better program and the final payment of \$125,000 for Advancing Country Towns was also received. Council had also budgeted for funding for Community Aged Care Packages (\$153,000) & Extended Aged Care at Home Packages (\$143,000) however these packages were transferred to Goulburn Valley Health in August 2016 and are showing a negative variance. State Government Funding for State Emergency Services is now forwarded directly to the local units and no longer facilitated through Council.
3	Grants - capital	Council had budgeted for an additional \$948,000 from the Roads to Recovery program, due to the Commonwealth Government commitment to increase and bring forward funding for all participants in the program. This was subsequently reduced in the May 2016 Federal Budget and deferred until later in the program. In addition Council has carried forward some capital works bridge projects of \$284,000 into 2017/18. Yea Saleyards received unbudgeted funding of \$272,000 for Stage 2 developments at the Saleyards, and final claims for funding of several capital projects carried forward for completion in 2016/17 were received.
4	Contributions - monetary	Council received non government contributions toward several community based projects, most notably \$165,000 from Insurance Australia Group towards the Building Community Resilience Project. Public Open Space contributions exceeded budget by \$13,000 and Vic Road contributed \$20,000 towards works at the intersection of Downey and Bayley Streets Alexandra.
5	Contributions - non monetary	Council receives infrastructure assets as a result of subdivision and developer contributions. Council did not budget for the receipt of these contributions as they are not predictable or controllable by Council. During the year Council received non monetary contributions including, roads \$397,000, drainage \$112,000 and footpaths \$43,000. Further details are outlined in note 7.
6	Other income	Other income exceeded budget by \$463,000. Interest on investments generated an extra \$198,000 due to additional cash being invested and adopting a longer term position which has deferred the impact of falling interest rates. An extra \$65,000 was received for the provision of building control services to a neighbouring municipality. An increase in debt collection activities, particularly with regard to long overdue rate debtors, has seen increased reimbursements for legal fees of \$48,000 together with additional interest on rates & charges of \$49,000. Reimbursement for Aged Care Services from the Department of Veteran Affairs exceeded budget by \$44,000.
7	Employee costs	Employee Benefits expenditure was under budget \$975,000. Major variances include infrastructure operating and maintenance expenditure which was \$471,000 below budget due to several vacant positions, however these works were undertaken by external contractors and have offsetting expenditure that is categorised as materials & services. Council's unexpended budget of \$150,000 for unfunded defined benefits superannuation was not required and has been transferred to Reserve. As with operating grants, Council has under expended in wages for Community Aged Care Packages \$141,000 & Extended Aged Care at Home Packages \$107,000 as these packages were transferred to Goulburn Valley Health in August 2016. A number of other minor variances are due to the timing of staff replacements or reduced hours on return from maternity leave.
8	Depreciation and amortisation	Depreciation & amortisation variance in 2016/17 relates mainly to the revised accounting treatment for landfill airspace in recognising the reduction in future earning capacity based on the consumption of the current landfill cell.
9	Borrowing costs	Borrowing costs have reduced due to Council not borrowing in the 2014/15, 2015/16 and 2016/17 years. Borrowings were budgeted to assist in the funding of Councils plant replacement program, however the purchases of several major items of plant were delayed pending further consideration of Councils ongoing plant requirements.
10	Net loss on disposal of property, infrastructure, plant and equipment	Council had budgeted for the capital upgrade and renewal of several bridges, however had not budgeted for the \$374,000 of write out of the carrying amount of the bridges replaced. Council exchanged land in William Street Alexandra valued at \$268,000 with the Department of Human Services for the equity they held in two units that were sold at the Marysville Retirement Village (\$141,000). The remaining variance is due to assets that were budgeted to sell that have not sold as at 30 June 2017.

Note 2 Budget comparison (cont)

b) Capital Works

	Budget 2017	Actual 2017	Variance 2017	Ref
Property				
Land	-	11	11	
Total Land	-	11	11	
Buildings	745,000	2,616,464	1,871,464	1
Total Buildings	745,000	2,616,464	1,871,464	
Total Property	745,000	2,616,475	1,871,475	
Plant and Equipment				
Plant, machinery and equipment	939,000	699,578	(239,422)	2
Fixtures, fittings and furniture	173,000	103,556	(69,444)	3
Library books	97,000	91,596	(5,404)	
Total Plant and Equipment	1,209,000	894,730	(314,270)	
Infrastructure				
Roads	3,643,000	4,276,696	633,696	4
Bridges	1,147,000	1,022,088	(124,912)	5
Footpaths and cycleways	168,000	357,961	189,961	6
Drainage	242,000	128,171	(113,829)	7
Total Infrastructure	5,200,000	5,784,916	584,916	
Total Capital Works Expenditure	7,154,000	9,296,121	2,142,121	
Represented by:				
New asset expenditure		205,513	205,513	
Asset renewal expenditure	5,998,000	6,901,342	903,342	
Asset expansion expenditure	352,000	880,240	528,240	
Asset upgrade expenditure	804,000	1,309,026	505,026	
Total Capital Works Expenditure	7,154,000	9,296,121	2,142,121	

Note 2 Budget comparison (cont)

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Buildings	Additional expenditure of \$677,000 on Alexandra Landfill and \$110,000 Yea Civic Centre Precinct project together with several other building projects carried forward from the previous year. In addition Council received new grant funding during the year resulting in \$790,000 previously unbudgeted expenditure at the Yea Saleyards.
2	Plant, machinery and equipment	Plant purchases were under budget by \$239,000. The purchase of some major items of plant was delayed pending the further consideration of Councils ongoing plant requirements. Tenders have since been called and these funds will be expended during 2017-18.
3	Fixtures, fittings and furniture	An underspend of \$69,000 in this area is due mainly to the categorisation of expenditure on Council's asset management system as an intangible asset.
4	Roads	Additional expenditure on roads of \$634,000 is mainly the result of works on the Eildon Town Centre Revitalisation \$292,000 and Eildon Streetscape Rejuvenation \$124,000 being carried forward from the previous year. Council also had addition expenditure on Sealed Roads renewal & major patching of \$180,000 carried forward from the previous year and Sealed Roads Resealing of \$191,000 from funds reallocated from the infrastructure operating maintenance budgets.
5	Bridges	An under spend of \$125,000 was due to bridge projects in progress carrying over the end of the financial year and to be completed in 2017/18.
6	Footpaths and Cycleways	Additional expenditure of \$190,000. This was due to \$65,000 on Footpath Renewal and Footpath Missing Links, \$71,000 on Eildon Trail & Alexandra to Eildon Trail design and \$27,000 for the completion of the Kinglake Ranges Art History Walk all funded from carry forwards from the 2015-16 year. In addition, due to weather conditions and usage, sections of the Great Victorian Rail Trail surface had deteriorated requiring reinstatement over and above normal maintenance works \$28,000.
7	Drainage	Underspend on Drainage \$114,000, the network expansion program that had been budgeted was delayed due to weather conditions. These works have been tendered and will be completed in the 2017-18 year.

Notes to Financial Report
For the Year Ended 30 June 2017

	2017 \$	2016 \$
Note 3 Rates and charges		
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.		
The valuation base used to calculate general rates for 2016/2017 was \$4,062 million (2015-2016 \$3,891 million). The 2016/2017 rate in the dollar for general rate was 0.003514 of the capital improved value of the property (2015/2016 - 0.003415).		
The 2016/2017 Municipal Charge was \$320 (2015/2016 \$307) per rateable assessment. In 2016/2017 the Garbage Service Charge was \$345.50 (2015/2016 \$337) and Recycling Charge \$85.50 (2015/2016 \$83).		
Residential	5,929,957	5,479,692
Commercial	831,992	790,550
Rural 1	3,121,907	3,166,497
Rural 2	2,871,266	2,705,324
Vacant Land - Residential	564,776	558,175
Vacant Land - Commercial	29,363	28,239
Municipal charge	2,981,430	2,841,333
Garbage charge	2,228,873	2,134,285
Recycling	561,628	528,750
Special rates and charges	-	-
Revenue in lieu of rates	61,333	60,368
	<u>19,182,525</u>	<u>18,293,213</u>
The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2016, and the valuation was first applied in the rating year commencing 1 July 2016.		

Note 4 Statutory fees and fines		
Building	290,769	241,304
Environmental health and local laws	276,719	243,225
Planning and subdivisions	207,932	139,043
Infrastructure	33,339	33,293
Other	40,582	35,556
	<u>849,341</u>	<u>692,421</u>

Note 5 User fees		
Quarry product	1,560	46,573
Halls and Community Centres	27,040	21,466
Aged care	530,784	476,601
* Caravan Parks	-	168,520
Valuation data	105,318	5,981
Saleyard fees	318,774	357,034
Recreation pools and leisure centres	104,970	107,832
Rural Councils Summit	-	38,569
Waste - transfer station & landfill fees	891,898	948,261
Other fees and charges	31,014	35,355
	<u>2,011,358</u>	<u>2,206,192</u>

* A caravan park previously under direct Council management has now been leased, to a private operator.

Notes to Financial Report
For the Year Ended 30 June 2017

	2017 \$	2016 \$
Note 6 Grants		
Grants were received in respect of the following :		
Summary of grants		
Commonwealth funded grants	9,618,697	5,501,917
State funded grants	1,623,812	2,997,098
Total grants received	11,242,509	8,499,015
Operating Grants		
Recurrent -Commonwealth Government		
* Victorian Grants Commission - General Purpose	4,148,391	1,324,645
* Victorian Grants Commission - Local Roads	2,347,721	781,379
Aged and Disability	1,013,056	273,773
Children Services	704,248	659,867
Customer Services	-	4,671
Recurrent -State Government		
Aged and Disability	202,720	1,077,341
Children Services	172,237	158,877
Emergency Services	-	38,559
Public Health	10,192	13,888
Library Services	146,362	143,454
Road Safety	9,414	16,823
Total recurrent Operating Grants	8,754,341	4,493,277
Non-recurrent -State Government		
Aged and Disability	-	167,060
Children Services	10,000	13,500
Economic Development	278,270	210,060
Emergency Management	60,000	60,000
Environmental Services	37,862	28,862
Public Health	4,744	6,381
Library Services	3,000	6,287
Recreational Services	112,500	99,000
Youth Services	87,000	82,000
Total non recurrent operating grants	593,376	673,150
Total Operating grants	9,347,717	5,166,427
Capital Grants		
Recurrent-Commonwealth Government		
Roads to Recovery	1,405,281	2,439,457
Buildings	-	18,125
Total recurrent capital grants	1,405,281	2,457,582
Non-recurrent-State Government		
Buildings	440,535	583,963
Footpaths and Cycleways	21,000	44,111
Library Materials	6,257	
Roads	21,719	246,932
Total non-recurrent capital grants	489,511	875,006
Total capital grants	1,894,792	3,332,588

Notes to Financial Report
For the Year Ended 30 June 2017

	2017 \$	2016 \$
Note 6 Grants (Cont.)		
Conditions on Grants		
Unspent grants received on condition that they be spent in a specific manner		
Balance at start of year	1,557,762	2,145,860
Received during the financial year and remained unspent at balance date	510,514	926,019
Received in prior years and spent during the financial year	1,082,386	1,514,117
Balance at end of year	<u>985,890</u>	<u>1,557,762</u>
* These grants include a 50% advance payment of the 2017/18 funding. The grants are not considered tied for a specific purpose. The amount has not been included as unspent.		
Note 7 Contributions		
Monetary - operating	230,223	54,466
Monetary - capital	58,500	71,000
Non-monetary - capital	<u>554,912</u>	<u>485,854</u>
	<u>843,635</u>	<u>611,320</u>
Contributions of non monetary assets were received in relation to the following asset classes		
Land under roads	2,507	3,043
Furniture and equipment	-	2,636
Bridges	-	128,675
Drainage	112,060	116,325
Footpaths and Cycleways	43,192	27,095
Roads	<u>397,153</u>	<u>208,080</u>
	<u>554,912</u>	<u>485,854</u>
Note 8 Net Gain / (Loss) on disposal of property, plant and equipment and infrastructure		
Proceeds from sales	529,651	543,445
Written down value of assets disposed	<u>(1,055,359)</u>	<u>(602,743)</u>
	<u>(525,708)</u>	<u>(59,298)</u>
Readers of the financial report should refer to Note 22 for additional details.		

Notes to Financial Report
For the Year Ended 30 June 2017

		2017 \$	2016 \$
Note 9	Other income		
	Interest	663,090	725,410
	Interest on rates	159,730	105,700
	Rental	146,641	135,742
	Reimbursements	439,722	339,461
	Other	161,125	144,956
		<u>1,570,308</u>	<u>1,451,269</u>
Note 10	(a) Employee benefits		
	Wages and salaries	10,990,359	10,910,934
	Casual Staff	572,948	460,775
	Superannuation	1,090,205	1,046,033
	Fringe benefits tax	95,806	75,341
	Workcover	174,377	144,505
		<u>12,923,695</u>	<u>12,637,588</u>
	(b) Superannuation		
	Council made contributions to the following funds:		
	Defined benefit fund		
	Employer contributions to Local Authorities Superannuation Fund (Vision Super)	64,932	84,650
	Employer contributions payable at reporting date.		
	Accumulation funds		
	Employer contributions to Local Authorities Superannuation Fund (Vision Super)	696,888	588,849
	Employer contributions - other funds	328,385	372,534
		<u>1,025,273</u>	<u>961,383</u>
	Employer contributions payable at reporting date.		
	Employer contributions to Local Authorities Superannuation Fund (Vision Super)	28,434	13,786
	Employer contributions - other funds	13,398	21,791
	Refer to Note 33 for further information relating to Councils Superannuation obligations.		
Note 11	Materials and services		
	Consultants	254,121	247,224
	Contractors	6,687,756	6,883,497
	Contributions	624,507	444,116
	Insurance	422,836	390,545
	Legal Expenses	309,748	297,278
	Materials	739,344	794,508
	Utilities	499,523	535,225
		<u>9,537,835</u>	<u>9,592,393</u>
Note 12	Bad and Doubtful Debts		
	Rate Debtors	2,495	2,353
	Other Debtors	2,422	-
		<u>4,917</u>	<u>2,353</u>

Notes to Financial Report
For the Year Ended 30 June 2017

	2017 \$	2016 \$
Note 13 Depreciation and amortisation		
Property	2,515,102	2,434,313
Plant and Equipment	876,856	846,992
Infrastructure	5,062,273	4,976,332
Total depreciation	8,454,231	8,257,637
Intangible assets	504,912	14,394
Total depreciation and amortisation	8,959,143	8,272,031
Refer to note 22 and 23 for a more detailed breakdown of depreciation and amortisation charges.		
Note 14 Borrowing cost		
Interest - borrowings	115,786	163,204
Interest - provision for landfill rehabilitation	99,528	72,290
	215,314	235,494
Note 15 Other expenses		
Auditors remuneration - auditing of the financial report	44,500	51,600
Auditors remuneration - internal audit	24,350	36,250
Councillors allowances	175,907	181,522
Other	21,472	27,139
	266,229	296,511
Note 16 Cash and cash equivalents		
Cash at Bank and on Hand	886,657	1,336,984
Term Deposits and at Call	3,696,000	2,295,000
	4,582,657	3,631,984
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 25)	995,068	973,558
Statutory reserves (Note 28(b))	462,254	423,754
Total restricted cash and cash equivalents	1,457,322	1,397,312
Total unrestricted cash and cash equivalents	3,125,335	2,234,672
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	2,740,009	4,383,137
Grants received in advance	985,890	1,557,762
Bank Guarantee - Quarry	19,500	19,500
Cash held to fund discretionary reserves (Note 28)	15,232,438	13,523,091
Portion of Long Service Leave Liability	555,507	424,324
Total Intended allocations	19,533,344	19,907,814
Term deposits with a maturity date of greater than 90 days are reported as other financial assets, refer to note 18.		

Notes to Financial Report
For the Year Ended 30 June 2017

	2017 \$	2016 \$
Note 17 Trade and other receivables		
Current		
<i>Statutory receivables</i>		
Rates debtors	1,600,611	1,422,997
Provision for doubtful rate debts	(42,560)	(40,065)
Garbage and Recycling debtors	282,776	274,509
Special rate scheme	7,277	5,313
Net GST receivable	245,267	379,307
<i>Non statutory receivables</i>		
Other debtors	333,087	569,584
Provision for doubtful debts - other debtors	-	(86,635)
Government grants	344,857	503,476
	<u>2,771,315</u>	<u>3,028,486</u>
Non-current		
<i>Non statutory receivables</i>		
Special rate scheme	<u>20,366</u>	<u>23,978</u>
	<u>20,366</u>	<u>23,978</u>
Total trade and other receivables	<u>2,791,681</u>	<u>3,052,464</u>

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:

a) Ageing of receivables

Current (not yet due)	389,681	755,637
Past due by up to 30 days	213,737	139,292
Past due between 31 and 180 days	4,953	16,480
Past due between 181 and 365 days	2,582	1,566
Past due by more than 1 year	<u>66,991</u>	<u>73,450</u>
Total trade & other receivables	<u>677,944</u>	<u>986,425</u>

b) Movement in provisions for doubtful debts

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

Notes to Financial Report
For the Year Ended 30 June 2017

		2017 \$	2016 \$
Note 17	Trade and other receivables (Cont.)		
	c) 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
Note 18	Other financial assets		
	Term Deposit	23,419,500	23,119,500
		<u>23,419,500</u>	<u>23,119,500</u>
Note 19	Inventories		
	Other - Alexandra Depot	31,816	22,578
	Other - Yea Depot	13,898	18,915
		<u>45,714</u>	<u>41,493</u>
Note 20	Non-Current assets classified as held for sale		
	Land	<u>217,047</u>	<u>434,094</u>
		<u>217,047</u>	<u>434,094</u>
Note 21	Other assets		
	Accrued Income	190,912	161,907
	Prepayments	201,166	205,474
		<u>392,078</u>	<u>367,381</u>

Note 22 Property, infrastructure, plant and equipment

Summary of property, Infrastructure, plant and equipment

	At Fair Value 30-June-2016	Acquisitions	Contributions	Revaluations	Deprecation	Disposals	Transfers	At Fair Value 30-June-2017
Land	31,065,243	11	2,507	3,161,861	-	(268,270)	-	33,961,352
Buildings	61,769,126	1,774,038	-	1,167,363	(2,515,102)	(54,627)	885,942	63,026,740
Plant and Equipment	4,875,593	894,730	-	-	(876,856)	(141,370)	-	4,752,097
Infrastructure	201,045,674	5,525,645	552,405	900,792	(5,062,273)	(374,048)	653,084	203,241,279
Works in Progress	1,737,682	1,101,697	-	-	-	-	(1,539,026)	1,300,353
	<u>300,493,318</u>	<u>9,296,121</u>	<u>554,912</u>	<u>5,230,016</u>	<u>(8,454,231)</u>	<u>(838,315)</u>	<u>-</u>	<u>306,281,821</u>

Summary of Works in Progress

	Opening WIP	Additions	Transfers	Closing WIP
Buildings	890,669	842,426	(885,942)	847,153
Infrastructure	847,013	259,271	(653,084)	453,200
Total	<u>1,737,682</u>	<u>1,101,697</u>	<u>(1,539,026)</u>	<u>1,300,353</u>

Note 22 Property, infrastructure plant and equipment (cont'd)

Land and Buildings	Note	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 2016		22,217,274	4,399,831	4,448,138	31,065,243	79,469,324	19,897,556	99,366,880	890,669	131,322,792
Accumulated depreciation at 1 July 2016		-	-	-	-	(29,604,983)	(7,992,771)	(37,597,754)	-	(37,597,754)
		22,217,274	4,399,831	4,448,138	31,065,243	49,864,341	11,904,785	61,769,126	890,669	93,725,038
Movements in fair value										
Acquisition of assets at fair value		-	-	2,518	2,518	1,699,391	74,647	1,774,038	842,426	2,618,982
Revaluation increments/decrements		2,666,073	495,788	-	3,161,861	1,564,786	392,113	1,956,899	-	5,118,760
Fair value of assets disposed		-	(268,270)	-	(268,270)	(38,591)	(50,914)	(89,505)	-	(357,775)
Transfers		-	-	-	-	-	885,942	885,942	(885,942)	-
		2,666,073	227,518	2,518	2,896,109	3,225,586	1,301,788	4,527,374	(43,516)	7,379,967
Movements in accumulated depreciation										
Depreciation and amortisation		-	-	-	-	(2,033,035)	(482,067)	(2,515,102)	-	(2,515,102)
Accumulated depreciation of disposals		-	-	-	-	14,727	20,151	34,878	-	34,878
Revaluation increments/decrements		-	-	-	-	(622,979)	(166,557)	(789,536)	-	(789,536)
		-	-	-	-	(2,641,287)	(628,473)	(3,269,760)	-	(3,269,760)
At fair value 30 June 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 30 June 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

Note 22 Property, infrastructure plant and equipment (cont'd)

Plant and Equipment	Note	Heritage plant and equipment	Plant machinery and equipment	Fixtures fittings and furniture	Library books	Total plant and equipment
At fair value 1 July 2016		345,787	6,753,174	1,930,515	805,286	9,834,762
Accumulated depreciation at 1 July 2016		(22,220)	(3,428,071)	(1,155,466)	(353,412)	(4,959,169)
		<u>323,567</u>	<u>3,325,103</u>	<u>775,049</u>	<u>451,874</u>	<u>4,875,593</u>
Movements in fair value						
Acquisition of assets at fair value		-	699,578	103,556	91,596	894,730
Fair value of assets disposed		-	(405,811)	(127,887)	(84,189)	(617,887)
		<u>-</u>	<u>293,767</u>	<u>(24,331)</u>	<u>7,407</u>	<u>276,843</u>
Movements in accumulated depreciation						
Depreciation and amortisation		(4,907)	(606,109)	(172,481)	(93,359)	(876,856)
Accumulated depreciation of disposals		-	267,812	124,516	84,189	476,517
		<u>(4,907)</u>	<u>(338,297)</u>	<u>(47,965)</u>	<u>(9,170)</u>	<u>(400,339)</u>
At fair value 30 June 2017		345,787	7,046,941	1,906,184	812,693	10,111,605
Accumulated depreciation at 30 June 2017		(27,127)	(3,766,368)	(1,203,431)	(362,582)	(5,359,508)
		<u>318,660</u>	<u>3,280,573</u>	<u>702,753</u>	<u>450,111</u>	<u>4,752,097</u>

Note 22 Property, infrastructure plant and equipment (cont'd)

Infrastructure	Note	Roads	Bridges	Footpaths and cycleways	Drainage	Work In Progress	Total Infrastructure
At fair value 1 July 2016		218,310,390	54,451,088	9,457,780	17,918,575	847,013	300,984,846
Accumulated depreciation at 1 July 2016		(73,211,332)	(18,295,596)	(3,241,798)	(4,343,433)	-	(99,092,159)
		<u>145,099,058</u>	<u>36,155,492</u>	<u>6,215,982</u>	<u>13,575,142</u>	<u>847,013</u>	<u>201,892,687</u>
Movements in fair value							
Acquisition of assets at fair value		4,659,604	848,094	330,121	240,231	259,271	6,337,321
Revaluation increments/decrements		-	-	709,457	-	-	709,457
Fair value of assets disposed		-	(793,787)	-	-	-	(793,787)
Transfers		133,597	196,209	323,278	-	(653,084)	-
		<u>4,793,201</u>	<u>250,516</u>	<u>1,362,856</u>	<u>240,231</u>	<u>(393,813)</u>	<u>6,252,991</u>
Movements in accumulated depreciation							
Depreciation and amortisation		(3,985,008)	(596,828)	(285,952)	(194,485)	-	(5,062,273)
Accumulated depreciation of disposals		-	419,739	-	-	-	419,739
Revaluation increments/decrements		-	-	191,335	-	-	191,335
		<u>(3,985,008)</u>	<u>(177,089)</u>	<u>(94,617)</u>	<u>(194,485)</u>	<u>-</u>	<u>(4,451,199)</u>
At fair value 30 June 2017		223,103,591	54,701,604	10,820,636	18,158,806	453,200	307,237,837
Accumulated depreciation at 30 June 2017		(77,196,340)	(18,472,685)	(3,336,415)	(4,537,918)	-	(103,543,358)
		<u>145,907,251</u>	<u>36,228,919</u>	<u>7,484,221</u>	<u>13,620,888</u>	<u>453,200</u>	<u>203,694,479</u>

Note 22 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 2016/17 being 12% land and 1.97% buildings. 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 Council valuations at 1 January 2016 for land under roads in existence at that date and at the date acquired for subsequent acquisitions using site values adjusted for englobo (undeveloped and/or unserviced) characteristics, access rights and private interests of other parties and entitlements of infrastructure assets and services. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

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

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2017 are as follows:

	Level 1	Level 2	Level 3	DoV
Land	-	4,627,349	24,883,347	30-June-2015
Land Under Roads	-	-	4,450,656	01-January-2016
Buildings	-	14,238,901	48,787,839	30-June-2015
Total	-	18,866,250	78,121,842	

Specialised land including 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 50% 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 \$282 per square metre.

	2017	2016
Reconciliation of specialised land		
Active recreation	6,990,994	6,241,959
Community centres and hall reserves	1,465,907	1,308,845
Land under roads	4,450,656	4,448,138
Other	4,600,038	4,107,177
Passive recreation	9,699,611	8,660,367
Waste management	2,126,797	1,898,926
Total specialised land	29,334,003	26,665,412

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.

Note 22 Property, infrastructure, plant and equipment (cont'd)

Valuation of infrastructure

Valuation of infrastructure assets has been determined in accordance with a valuation undertaken as detailed in the following table.

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

Details of the Council's infrastructure and information about the fair value hierarchy as at 30 June 2017 are as follows:

	Level 1	Level 2	Level 3	DoV	Valuer
Roads	-	-	145,907,251	30-June-2013	Council Officer John Canny A.A.I.Q.S
Bridges	-	-	36,228,920	30-June-2014	Pitt and Sherry Pty Ltd
Footpaths and cycleway	-	-	7,484,220	30-June-2017	Council Officer John Canny A.A.I.Q.S
Drainage	-	-	13,620,888	30-June-2015	Council Officer John Canny A.A.I.Q.S
Total	-	-	203,241,279		

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.

Notes to Financial Report
For the Year Ended 30 June 2017

	2017 \$	2016 \$
Note 23		
Intangible assets		
Landfill air space	3,648,477	3,815,721
Software	77,473	-
Total intangible assets	<u>3,725,950</u>	<u>3,815,721</u>

	Software	Landfill	Total
Gross carrying amount			
Balance at 1 July 2016	-	3,897,294	3,897,294
Additions from internal developments (1)	-	337,670	337,670
Other Additions	77,473	-	77,473
Balance at 1 July 2017	<u>77,473</u>	<u>4,234,964</u>	<u>4,312,437</u>
Accumulated amortisation and impairment			
Balance at 1 July 2016	-	(81,575)	(81,575)
Amortisation expense	-	(504,912)	(504,912)
Balance at 1 July 2017	<u>-</u>	<u>(586,487)</u>	<u>(586,487)</u>
Net book value at 30 June 2016	-	3,815,719	3,815,719
Net book value at 30 June 2017	<u>77,473</u>	<u>3,648,477</u>	<u>3,725,950</u>

(1) 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 26) adjusted to reflect the portion of unused air space remaining within this landfill. The corresponding landfill restoration provision was reassessed in the current year resulting in an increase in this provision. This increase represents the corresponding increase in the balance of the landfill air space asset.

Note 24	Trade and other payables		
Trade payables	710,374	2,542,388	
Loan Interest	16,195	23,818	
Accrued wages	556,573	494,227	
Accrued expenses	40,816	48,720	
	<u>1,323,958</u>	<u>3,109,153</u>	

Note 25	Trust funds and deposits		
Refundable building deposits	44,500	39,500	
Refundable planning permit bonds	300,135	299,886	
Retention contract deposits	364,180	343,583	
Fire Service Property Levy	100,578	63,601	
Other refundable deposits	185,675	226,988	
	<u>995,068</u>	<u>973,558</u>	

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 the fire services property 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 the 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.

**Notes to Financial Report
For the Year Ended 30 June 2017**

Note 26 Provisions

	Employee	Landfill restoration	Total
	\$	\$	\$
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	3,393,543	5,738,237	9,131,780
2016			
Balance at beginning of the financial year	3,438,647	1,392,815	4,831,462
Additional provisions	980,797	3,908,222	4,889,019
Amounts used	(1,029,666)	-	(1,029,666)
Balance at the end of the financial year	3,389,778	5,301,037	8,690,815
		2017	2016
		\$	\$
(a) Employee benefits			
Current provision expected to be settled within 12 months			
Annual leave		775,632	742,538
Long service leave		100,879	100,879
		<u>876,511</u>	<u>843,417</u>
Current provision expected to be settled after 12 months			
Annual leave		395,883	384,181
Long service leave		1,886,247	1,864,136
		<u>2,282,130</u>	<u>2,248,317</u>
Total Current employee provision		<u>3,158,641</u>	<u>3,091,734</u>
Non-current			
Long service leave		234,902	298,044
Total Non-current employee provision		<u>234,902</u>	<u>298,044</u>
Aggregate carrying amount of employee benefits:			
Current		3,158,641	3,091,734
Non-current		234,902	298,044
Total aggregate carrying amount of employee benefits		<u>3,393,543</u>	<u>3,389,778</u>
(b) Provisions			
Non-current			
Landfill restoration		5,738,237	5,301,037
		<u>5,738,237</u>	<u>5,301,037</u>
A provision has been recognised for the costs to be incurred for the restoration of the landfill site used for waste management.			
Total Provisions		<u>9,131,780</u>	<u>8,690,815</u>

Notes to Financial Report
For the Year Ended 30 June 2017

	2017	2016
	\$	\$
Note 27 Interest-bearing loans and borrowings		
<i>Current</i>		
Bank loans - secured	<u>367,646</u>	<u>673,639</u>
	<u>367,646</u>	<u>673,639</u>
<i>Non-current</i>		
Bank loans - secured	<u>986,866</u>	<u>1,354,511</u>
Total	<u>1,354,512</u>	<u>2,028,150</u>
The maturity profile for Council's borrowings is:		
Not later than one year	367,646	673,639
Later than one year and not later than five years	827,972	1,054,031
Later than five years	<u>158,894</u>	<u>300,480</u>
	<u>1,354,512</u>	<u>2,028,150</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	367,646	673,639
Non-current	<u>986,866</u>	<u>1,354,511</u>
	<u>1,354,512</u>	<u>2,028,150</u>

Notes to Financial Report
For the Year Ended 30 June 2017

Note 28	Reserves	2017	2016
		\$	\$
	Asset revaluation reserves (a)	182,944,361	177,714,345
	Other reserves (b)	15,694,692	13,946,845
		<u>198,639,053</u>	<u>191,661,190</u>

	Balance at beginning of reporting period	Increment (decrement)	Balance at end of reporting period
(a)	\$	\$	\$
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>177,714,345</u>	<u>5,230,016</u>	<u>182,944,361</u>
2016			
Property			
Land	21,378,153	518,619	21,896,772
Land under roads	269,053	615,928	884,981
Buildings	25,396,999	493,179	25,890,178
	<u>47,044,205</u>	<u>1,627,726</u>	<u>48,671,931</u>
Infrastructure			
Bridges	5,345,173	(785,828)	4,559,345
Drainage	9,545,230	(315,524)	9,229,706
Footpaths and cycleways	4,357,916	(116,249)	4,241,667
Roads	114,254,387	-3,242,691	111,011,695
	<u>133,502,706</u>	<u>(4,460,292)</u>	<u>129,042,413</u>
Total Asset revaluation reserves	<u>180,546,911</u>	<u>(2,832,566)</u>	<u>177,714,345</u>

Asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets, as described in accounting policy note 1 (m).

**Notes to Financial Report
For the Year Ended 30 June 2017**

Note 28 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				
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	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 Caravan Park	-	15,730	(15,730)	-
Yea Saleyards	336,064	158,751	(494,815)	-
Total Other reserves	13,946,845	3,144,950	(1,397,103)	15,694,692

**Notes to Financial Report
For the Year Ended 30 June 2017**

Note 28 Reserves (cont.)

	Balance at beginning of reporting period	Transfer from accumulated surplus	Transfer to accumulated surplus	Balance at end of reporting period
	\$	\$	\$	\$
2016				
Statutory Reserves				
Public Open Space	416,754	7,000	-	423,754
Discretionary Reserves				
Alexandra Community Leisure Centre	16,384	-	(3,278)	13,106
Defined Benefits Superannuation	600,000	300,000	-	900,000
Gifted and Novated Assets	920,000	-	-	920,000
Infrastructure Contributions Parking	41,080	-	-	41,080
Infrastructure Balance MAP funding	434,022	-	-	434,022
Infrastructure Maintenance Reserve	950,076	284,684	(500,000)	734,760
Infrastructure Unexpended Capital Works	463,156	28,117	-	491,273
Landfill and Waste Management	4,677,985	1,354,010	(411,695)	5,620,300
Marysville Caravan Park	152,087	42,647	(101,843)	92,891
New and Expanded Assets	3,521,318	395,110	(100,160)	3,816,268
Marysville Community Fund	63,531	-	-	63,531
Road Maintenance - Subdividers Contribution	16,044	-	-	16,044
Shaw Avenue Redevelopment	43,752	-	-	43,752
Yea Saleyards	264,027	159,211	(87,174)	336,064
Total Other reserves	12,580,216	2,570,779	(1,204,150)	13,946,845

Alexandra Community Leisure Centre reserve is surplus operational funds set aside for future capital works.

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 Murrindindi Assistance Package.

Infrastructure Unexpended Capital works relate to carried forward items from 2016/17 that will be completed in early 2017/18.

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.

Notes to Financial Report
For the Year Ended 30 June 2017

	2017	2016
	\$	\$
Note 29		
Reconciliation of cash flows from operating activities to surplus		
Surplus for the financial year	3,266,835	657,762
Depreciation and amortisation	8,959,143	8,272,031
Contributions - non-monetary	(554,912)	(485,854)
Finance Costs	222,937	244,275
(Gain)/loss on disposal of property, plant and equipment, infrastructure	525,708	59,298
<i>Change in assets and liabilities:</i>		
(Increase)/Decrease in trade and other receivables	260,783	(682,846)
(Increase)/Decrease in inventories	(4,221)	11,628
(Increase)/Decrease in other current assets	(362,365)	(3,626,006)
Increase/(Decrease) in trade and other payables	(1,109,200)	746,961
Increase/(Decrease) in trust funds and deposits	21,510	138,092
Increase in provisions	440,965	3,859,353
Net cash provided by operating activities	<u>11,667,183</u>	<u>9,194,694</u>
Note 30		
Financing arrangements		
Secured bank loans at fixed interest rates:		
Facility available	1,354,512	2,028,150
Used facility	<u>1,354,512</u>	<u>2,028,150</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	<u>-</u>	<u>-</u>
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 2017

Note 31 Commitments

The Council has entered into the following commitments

	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 \$
2017					
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 services	27,550	26,100	-	-	53,650
Insurance services	20,000	21,000	22,050	-	63,050
Landfill services	39,114	42,893	85,319	-	167,326
Library services	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 and web services	82,270	6,942	-	-	89,212
Valuation Services	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
2016					
Operating					
Garbage and recycling collection	871,946	898,105	2,859,230	3,124,357	7,753,638
Cleaning buildings and streets	193,981	-	-	-	193,981
Document output devices	23,139	-	-	-	23,139
Software	103,691	-	-	-	103,691
Telecommunications and web services	75,000	75,000	6,942	-	156,942
Landfill services	41,227	39,114	128,212	-	208,553
Internal audit services	27,550	27,550	26,100	-	81,200
Library services	55,234	6,966	-	-	62,200
Election services	128,757	-	-	-	128,757
Total	1,520,525	1,046,735	3,020,484	3,124,357	8,712,101
Capital					
Buildings and improvements	956,936	-	-	-	956,936
Bridges	749,336	-	-	-	749,336
Footpaths and cycleways	47,738	-	-	-	47,738
Plant and equipment	10,542	-	-	-	10,542
Roads	71,208	-	-	-	71,208
Total	1,835,760	-	-	-	1,835,760

Note 32 Operating leases

(a) 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):

	2017 \$	2016 \$
Not later than one year	116,431	134,165
Later than one year and not later than five years	136,579	131,741
Later than five years	18,326	4,638
	<u>271,336</u>	<u>270,544</u>

(b) 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:

	2017 \$	2016 \$
Not later than one year	127,392	133,024
Later than one year and not later than five years	532,808	550,489
Later than five years	1,581,377	1,718,171
	<u>2,241,577</u>	<u>2,401,684</u>

Note 33 Superannuation

Murrindindi Shire 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 normally based on a fixed percentage of employee earnings for the year ended 30 June 2017, this was 9.5% as required under Superannuation Guarantee legislation.

Defined Benefit

Murrindindi 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 Murrindindi 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

Funding Arrangements

Murrindindi 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 2016, an interim actuarial investigation was held as the Fund provides lifetime pensions in the Defined Benefit category. The vested benefit index (VBI) of the Defined Benefit category of which Council is a contributing employer was 102.6%. To determine the VBI, the fund Actuary used the following long-term assumptions:

Net investment returns	7.0% pa
Salary information	4.25% pa
Price inflation (CPI)	2.5% pa

Vision Super has advised that the estimated VBI at 30 June 2017 was 103.1%.

The VBI is to be used as the primary funding indicator. Because the VBI was above 100%, the 2016 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 2016 interim actuarial investigation conducted by the Fund Actuary, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2017, this rate was 9.5% of members' salaries (9.5% in 2015/2016). 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.

Note 33 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.

2016 Interim actuarial investigation surplus amounts

The Fund's interim actuarial investigation as at 30 June 2016 identified the following in the defined benefit category of which Council is a contributing employer:

- A VBI surplus of \$40.3 million; and
- A total service liability surplus of \$156 million.

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 2016. 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. Council was notified of the 30 June 2016 VBI during August 2016.

2017 Full triennial actuarial investigation.

A full actuarial investigation is being conducted for the Fund's position as at 30 June 2017. It is anticipated that this actuarial investigation will be completed in December 2017.

Future superannuation contributions

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2018 is \$64,932.

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%

Note 34 Contingent liabilities and contingent assets

Contingent liabilities

Council has obligations under a defined benefit superannuation scheme that may result in the need to make additional contributions to the scheme. Matters relating to this potential obligation are outlined in Note 33. As a result of the volatility in financial markets the likelihood of making such contributions in future periods exists. At this point in time it is not known if additional contributions will be required, their timing or potential amount.

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.

Contingent Assets

There were no contingent assets as at 30 June 2017 (2016 Nil)

Note 35 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.

Note 35 **Financial Instruments (cont.)**
(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 34.

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

(d) Liquidity risk

Liquidity risk includes the risk that, as a result of Council's operational liquidity requirements it will not have sufficient funds to settle a transaction when required or will be forced to sell a financial asset at below value or may be unable to settle or recover a financial asset.

To help reduce these risks Council:

- 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 borrowings are disclosed at Note 27.

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

(e) Fair value

Fair value hierarchy

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

(f) 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.

Note 36 Related party transactions

- (i) Parent entity
Murrindindi Council is the parent entity
- Subsidiaries and Associated
There are no subsidiaries and associates

(ii) 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 from 9/11/2016 Councillor - Margaret Rae - Mayor to 22/10/2016 re-appointed Councillor 9/11/2016 Councillor - Eric Lording Councillor to 22/10/2016 re-appointed Councillor 9/11/2016 Councillor - Sandice McAulay from 9/11/2016 Councillor - Rebecca Bowles from 9/11/2016 Councillor - Jackie Ashe from 9/11/2016 Councillor - Leigh Dunscombe from 9/11/2016 Councillor - Christine Challen - to 22/10/2016 Councillor - John Kennedy to 22/10/2016 Councillor - John Walsh to 22/10/2016 Councillor - Christopher Healy to 22/10/2016 One Councillor position was vacant from 1/7/2016 to 8/11/2016
Officers	Chief Executive Officer - Margaret Abbey - 01/07/2016 - 30/06/2017 GM Corporate & Community Services - Michael Chesworth - 01/07/2016 - 30/06/2017 GM Infrastructure & Development Services - Stuart McConnell - 23/01/2017 - 30/06/2017 GM Infrastructure & Development Services - Elaine Wyatt - 01/07/2016 - 29/09/2016

Total Number of Councillors

Chief Executive Officer and other Key Management Personnel

*** Total Key Management Personnel**

**2017
No.**

11

4

15

(iii) Remuneration of Key Management Personnel

2017

\$

Total remuneration of key management personnel was as follows:

Short-term benefits	715,862
Long-term benefits	5,667
Termination benefits	
Total	721,529

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

**2017
No.**

\$0 - \$9,999	4
\$10,000 - \$19,999	4
\$20,000 - \$29,999	1
\$30,000 - \$39,999	1
\$40,000 - \$49,999	2
\$60,000 - \$69,999	-
\$70,000 - \$79,999	1
\$130,000 - \$139,999	-
\$140,000 - \$149,999	-
\$150,000 - \$159,999	-
\$170,000 - \$179,999	1
\$220,000 - \$229,999	-
\$240,000 - \$249,999	1
	15

No comparatives have been reported due to AASB 124 Related Party Disclosures being effective for non-for-profit entities from 1 July 2016.

(iv) Transactions with related parties

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

1. Dame Pattie Menzies Centre - 1 Transaction of \$4,800 via the Community Grants Program
2. Continuing Education & Arts Centre of Alexandra Inc. - 4 Transactions totalling \$1,905 for the provision of staff training

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

(v) Outstanding balances with related parties

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

(vi) Loans to/from related parties

No loans are in existence as at 30 June 2017 between Council and any related party, nor were any loan transactions entered into during the 2016/17 financial year.

(vii) Commitments to/from related parties

No commitments are in existence as at 30 June 2017 between Council and any related party, nor were any commitments made during the 2016/17 financial year.

Note 37 Senior Officers Remuneration

A Senior Officer is an officer of Council, other than Key Management Personnel detailed in Note 36, who:

- a) has management responsibilities and reports directly to the Chief Executive; or
- b) whose total annual remuneration exceeds \$142,000

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

Income Range:	2017 No.	2016 No.
Less than \$142,000	-	-
\$142,000 - \$149,999	3	1
\$150,000 - \$159,999	2	-
\$240,000 - \$249,999	-	1
* Total Senior Officers	5	2
	\$	\$
Total Remuneration for the reporting year for Senior Officers included above, amounted to:	741,866	385,570

Note 38 Events occurring after balance date

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

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.



Andrew Bond

Principal Accounting Officer

Date : 27/09/2017

Alexandra

In our opinion the accompanying financial statements present fairly the financial transactions of Murrindindi Shire Council for the year ended 30 June 2017 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.

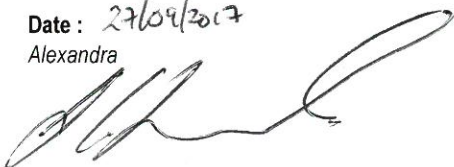


Charlotte Bisset

Councillor

Date : 27/09/2017

Alexandra



Leigh Dunscombe

Councillor

Date : 27/09/2017

Alexandra



Margaret Abbey

Chief Executive Officer Michael Chesworth
Acting

Date : 27/09/2017

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 2017• comprehensive income statement for the year then ended• statement of changes in equity for the year then ended• statement of cash flows for the year then ended• statement of capital works for the year then ended• notes to the financial statements, including a summary of 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 2017 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. My responsibilities under the Act are further described 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 Australia. 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, and using the going concern basis of accounting unless it is inappropriate to do so.</p>

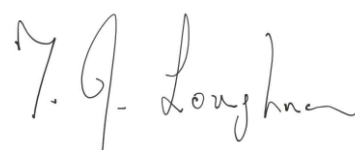
Auditor's responsibilities for the audit of the financial report

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 our 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's 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
28 September 2017

Tim Loughnan
as delegate for the Auditor-General of Victoria

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 13,595 as of the most recent Australian Bureau of Statistics update.

**Notes to Financial Report
For the Year Ended 30 June 2017**

PERFORMANCE STATEMENT

Sustainable Capacity Indicators

<i>Indicator /measure</i>	Results 2015	Results 2016	Results 2017	Material Variations
Population				
<i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$2,231.08	\$2,287.29	\$2,336.32	No material variations for 2016/17.
<i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$20,160.79	\$19,818.00	\$19,937.41	No material variations for 2016/17.
<i>Population density per length of road</i> [Municipal population / Kilometres of local roads]	11.33	11.02	11.25	No material variations for 2016/17.
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	No material variations for 2016/17.
Recurrent grants				
<i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$706.49	\$511.28	\$731.86	Recurrent grant revenue for 2016/17 increased due to the timing of Victorian Grants Commission funding provided.
Disadvantage				
<i>Relative Socio-Economic Disadvantage</i> [Index of Relative Socio-Economic Disadvantage by decile]	8.00	6.00	6.00	No material variations for 2016/17.

**Notes to Financial Report
For the Year Ended 30 June 2017**

PERFORMANCE STATEMENT

Service Performance Indicators

Service/indicator /measure	Results 2015	Results 2016	Results 2017	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	A cooler start to the summer season for 2016/17 impacted on the number of opening hours at the Council's aquatic facilities and the number of overall attendance for the 2016/17. Overall attendance was 1,265 patrons below 2015/16.
Animal Management Health and safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	0.00	2.00	0.00	No dangerous animal declarations were issued during 2016/17.
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%	No material variations for 2016/17.
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	No material variations for 2016/17.
Libraries Participation <i>Active library members</i> [Number of active library members / Municipal population] x100	16.68%	21.44%	40.25%	Active library participation increased across the municipality when compared to data recorded in 2015/16.

Notes to Financial Report
For the Year Ended 30 June 2017

PERFORMANCE STATEMENT

Service/indicator /measure	Results 2015	Results 2016	Results 2017	Material Variations
Maternal and Child Health (MCH)				
Participation				
Participation in the MCH service [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	70.30%	95.28%	98.36%	No material variations for 2016/17.
Participation				
Participation in the MCH service by Aboriginal children [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	100.00%	100.00%	100.00%	No material variations for 2016/17.
Roads				
Satisfaction				
Satisfaction with sealed local roads [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	52.00	51.00	46.00	Council invested nearly \$4.3million in the upgrade and renewal of local roads in 2016/17. The decrease in satisfaction is thought, in part, to reflect some community dissatisfaction of major works undertaken on non-Council roads during 2016/17, which may be incorrectly assumed to have been performed by Council.
Statutory Planning				
Decision making				
Council planning decisions upheld at VCAT [Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	100.00%	100.00%	66.67%	Of the three decisions made by Council that were referred to VCAT during 2016/17, two were upheld at VCAT, with only one decision overturned.
Waste Collection				
Waste diversion				
Kerbside collection waste diverted from landfill [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	36.18%	39.59%	36.30%	The proportion of material recycled by households and businesses through the kerbside system in 2016-17 was 34.2%. At Council's Resource Recovery Centres, 65% of waste entering the site is recycled. The overall diversion of waste from landfill is 36.3%, exceeding the target diversion rate of 35%.

Notes to Financial Report
For the Year Ended 30 June 2017

PERFORMANCE STATEMENT								
Financial Performance Indicators								
Dimension/indicator/measure	Results 2015	Results 2016	Results 2017	2018	2019	2020	2021	Material Variations
Efficiency								
Revenue level								
64 Average residential rate per residential property assessment [Residential rate revenue / Number of residential property assessments]	\$899.06	\$1,021.57	\$1,076.61	\$1,098.14	\$1,120.10	\$1,142.51	\$1,165.36	Increases for 2017/18 onwards are now assumed to increase in accordance with the rate cap set by the Minister for Local Government each year.
Expenditure level								
63 Expenses per property assessment [Total expenses / Number of property assessments]	\$3,192.12	\$3,237.78	\$3,331.23	\$3,363.60	\$3,399.09	\$3,435.52	\$3,472.69	No material variations for 2016/17.
Workforce turnover								
65 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%	10.00%	10.00%	10.00%	10.00%	A large number of retirements occurred during 2015/16 as well as a restructure of Council's Development Services department.
Liquidity								
Working capital								
55 Current assets compared to current liabilities [Current assets / Current liabilities] x100	397.61%	390.20%	537.67%	386.26%	415.44%	411.75%	396.88%	Council's liquidity position remains strong, with results projected to remain consistent in the next four years. Council's year-end cash result was higher than forecast due to the brought forward payment of the Financial Assistance Grants from the Commonwealth Government, as well as due to capital works programs that are to be carried forward into 2017/18.
Unrestricted cash								
56 Unrestricted cash compared to current liabilities [Unrestricted cash / Current liabilities] x100	73.10%	28.47%	53.47%	322.84%	352.49%	349.28%	334.58%	Council's longer term cash projections are based on funds being identified as unrestricted cash as of 30 June of each year, whereas any funds held in investments with over 90 days terms (ie. longer term deposits) are classified as other financial assets rather than cash. It should be noted that Council held \$21m of cash in such term deposits as of 30 June 2017 in addition to its unrestricted cash balances.
Obligations								
Asset renewal								
60 Asset renewal compared to depreciation [Asset renewal expense / Asset depreciation] x100	51.67%	49.41%	81.63%	57.23%	51.66%	48.02%	65.10%	Council achieved over \$9.2m of its total revised capital works budget for 2016/17, reducing the amount of carry forwards for 2017/18. A number of previously carried forward renewal projects were included in this result, leading to a higher result compared to previous years and the forecast.
Loans and borrowings								
57 Loans and borrowings compared to rates [Interest bearing loans and borrowings / Rate revenue] x100	16.58%	11.09%	7.06%	9.82%	9.34%	8.88%	8.44%	Council's debt reduction strategy will deliver lower ratios in the coming years as Council's forecast debt position decreases.
58 Loans and borrowings repayments compared to rates [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	6.64%	5.09%	4.12%	2.59%	2.63%	2.47%	2.33%	Council's debt reduction strategy will deliver lower ratios in the coming years as Council's forecast debt position decreases.
Indebtedness								
59 Non-current liabilities compared to own source revenue [Non-current liabilities / Own source revenue] x100	17.36%	30.71%	29.47%	28.82%	27.61%	26.46%	25.35%	No material variations for 2016/17.
Operating position								
Adjusted underlying result								
54 Adjusted underlying surplus (or deficit) [Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x100	3.51%	-2.55%	6.25%	-2.24%	-1.66%	-1.61%	-1.57%	Council's result for 2016/17 was inflated due to the brought forward payment of the 2017/18 Financial Assistance Grant from the Commonwealth government which was required to be recognised in the 2016/17 accounts.
Stability								
Rates concentration								
61 Rates compared to adjusted underlying revenue [Rate revenue / Adjusted underlying revenue] x100	53.66%	60.33%	55.45%	60.97%	61.16%	61.21%	61.26%	No material variations for 2016/17.
Rates effort								
62 Rates compared to property values [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.43%	0.46%	0.47%	0.48%	0.48%	0.49%	0.49%	No material variations for 2016/17.

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 3 August 2016. 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

"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*.

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.



Andrew Bond
Principal Accounting Officer

Date: 27/09/2017
Alexandra

In our opinion, the accompanying performance statement of Murrindindi Shire Council for the year ended 30 June 2017 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.



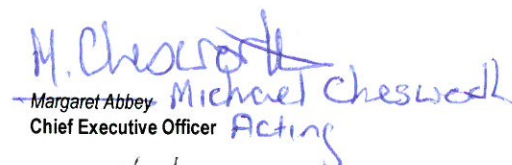
Charlotte Bisset
Mayor

Date: 27/09/2017
Alexandra



Leigh Dunscombe
Councillor

Date: 27/09/2017
Alexandra



Margaret Abbey
Chief Executive Officer

Date: 27/09/2017
Alexandra

Michael Chesworth
Acting

Independent Auditor's Report

To the Councillors of Murrindindi Shire Council

Opinion	<p>I have audited the accompanying performance statement of Murrindindi Shire Council (the council) which comprises the:</p> <ul style="list-style-type: none">• description of municipality for the year ended 30 June 2017• sustainable capacity indicators for the year ended 30 June 2017• service performance indicators for the year ended 30 June 2017• financial performance indicators for the year ended 30 June 2017• other information and• the certification of the performance statement. <p>In my opinion, the performance statement of Murrindindi Shire Council in respect of the year ended 30 June 2017 presents fairly, in all material respects, in accordance with the performance reporting requirements of Part 6 of the <i>Local Government Act 1989</i>.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. My responsibilities under the Act are further described in the <i>Auditor's responsibilities for the audit of the performance statement</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. I and my staff are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the performance statement in Australia and have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Councillors' responsibilities for the performance statement	<p>The Councillors is responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the <i>Local Government Act 1989</i> and for such internal control as the Councillors determines is necessary to enable the preparation and fair presentation of the statement of performance that is free from material misstatement, whether due to fraud or error.</p>

**Auditor's
responsibilities for the
audit of the
performance
statement**

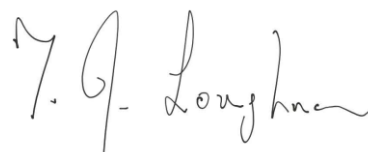
As required by the *Audit Act 1994*, my responsibility is to express an opinion on the performance statement based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the performance statement as a whole is free from material misstatement, whether due to fraud or 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 economic decisions of users taken on the basis of this financial report.

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 our 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 statement of performance, including the disclosures, and whether the statement of performance 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
28 September 2017



Tim Loughnan
as delegate for the Auditor-General of Victoria