

Murrindindi
Shire Council

ANNUAL REPORT 2015 - 2016



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About this Annual Report

The *Murrindindi Shire Council Annual Report 2015-2016* details progress we have made in the year 1 July 2015 to 30 June 2016, towards achieving the actions of the *Council Plan 2013-2017* and the *2015-2016 Annual Budget*.

In this report we identify our achievements, challenges and what is planned for the year ahead under the four themes of Our Council, Our Economy, Our Environment and Our Community.

This Report 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 2015-2016* or if you have any questions or feedback about this Report, please send your enquiry by email to msc@murrindindi.vic.gov.au or by mail to Chief Executive Officer, Murrindindi Shire Council, PO Box 138, Alexandra 3714.

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Yea

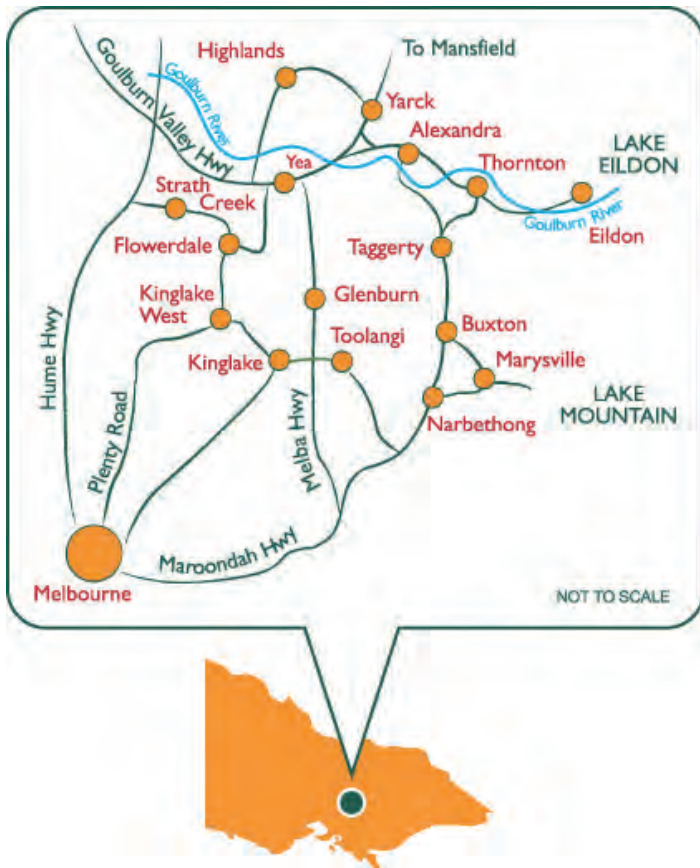
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ABOUT THIS REPORT



Murrindindi snapshot



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: 3873 square kilometres (48% Crown Land)

Population: 13,693 (2015 Australian Bureau of Statistics)

Councillors: 7

Rateable Properties: 9604

Sealed Roads (Council maintained): 492 kilometres

Unsealed Roads (Council maintained): 716 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
- Maintaingoon • Marysville • Molesworth • Murrindindi
- Narbethong • Pheasant Creek • Rubicon • Strath Creek
- Taggerty • Taylor Bay • Terip Terip • Thornton • Toolangi
- Whanregarwen • Woodbourne • Yarck • Yea

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

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

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 the Mayor and Chief Executive Officer

It is with pleasure that we submit the Annual Report for 2015-16. The Council Plan 2013-17 has guided Council's work for the term of the current Council.

Council has worked actively through 2015-2016 to deliver on the four goals set out in the plan - Our Community, Our Environment, Our Economy and Our Council.

Community Health and Wellbeing has been a focus of our work during the year and we have worked hard to promote disability awareness and inclusion through 'International Day for People with a Disability' celebrations with schools. Council has also made significant improvements to public toilet amenities for people with disabilities and improvements to pathways to improve accessibility. Our Aged and Disability services have also been reviewed to explore what communities need and how Council can meet this need within new funding arrangements.

During the year Council delivered over 700 library programs to the community across all four of its branches, catering to the different needs of communities across the Shire and increasing the opportunities for communities to be challenged, engaged and connected.

Council worked in partnership with primary and secondary schools across the Shire to coordinate the 'Youth Resilience Project' which measured indicators of resilience in our children and provided important insights about their resilience which will assist with ensuring the right measures are taken to improve resilience. The Relief and Recovery Plan has also been reviewed, and we engaged with the community in order to learn more about community capabilities and in planning for recovery. This process has been very helpful in building our understanding of how best to work together in planning and preparing for emergencies.

A key endeavor has been helping to deliver great outcomes for the Shire through advocating for the community in addressing mobile blackspots. Considerable success has been achieved so far and Council has worked hard

to ensure that mobile phone black spots within the Murrindindi Shire remain a priority under the Australian Government's Mobile Black Spot Program. We also successfully facilitated information sessions to provide more up-to-date information to residents and business regarding the National Broadband Network.

Council has also delivered a range of improvements to infrastructure assets in the Shire. These include construction of the new two-lane Ghin Ghin Bridge, which was officially opened after being delivered on time and on budget. The Yea Swimming Pool redevelopment was completed and the new look pool facilities have proved very popular with the local community.

External funding sources remain a critical component to enable us to advance important initiatives. This funding is crucial in addressing the economic development of our Shire and we continue to actively seek additional funding wherever possible. Council attracted funding to supply power generators for each of its library and customer service centres in order to ensure continuity of these important services across the Shire in times of power outages and emergencies.

Council was also successful in attracting funding for the expansion of the Yea Saleyards through the Federal Government's National Stronger Regions Program. A substantial investment in the Shire's future economic growth was made by Council through the purchase of land adjacent to the Yea Saleyards to accommodate future infrastructure development and provide a safer operating environment at the facility. Planning and economic development continues to deliver great results, and processes for those seeking to build and develop within the Shire have been further streamlined. Council has consistently exceeded planning approval targets and delivered its services substantially faster than the state-wide council average.

A decision to amalgamate the Planning and Building Unit and the



Margaret Abbey
Chief Executive Officer



Margaret Rae
Mayor

MAYOR & CEO MESSAGE

Economic Development and Tourism Unit into a 'Development Services' Department has brought a range of benefits, including helping Council measure performance of these vital areas more reliably as well as aligning services to better meet the needs of the local development industry and the broader community. Building activity continued to track strongly through the year, which indicates confidence within the local economy. Council also sought and obtained approval from the State Government for three amendments to the Murrindindi Planning Scheme that will help guide land use throughout the municipality.

Complementing these positive changes, Council also developed the 'Murrindindi Investment Prospectus' which features a website, industry videos, brochures and promotional USB, designed to make it easy for potential investors to see the benefits of investing in the region.

The Rural Councils Victoria Summit in Marysville was hosted by Council which provided a great opportunity to showcase the Shire to over 130 Councillors, CEOs, leaders of business and industry, and economic and community development practitioners from across the state. We are confident this positive exposure to the Shire will result in many return visits as is already being evidenced.

Following the resignations of two Councillors, by-elections were held in Eildon and King Parrot Wards resulting in the election of two new Councillors. Council's Kinglake Ward Councillor also resigned and this position will be filled at the General Election in October 2016.

Council has worked to improve its communications across the Shire by creating a brand new accessible and responsive website which is much easier for users to navigate and provides a structure based around the top user tasks. We think this has substantially improved the consumer experience when looking for information relating to the services Council provides and activities and events within the Shire. Council also moved into the social media world with the creation of Library and Children's Services Network Facebook pages, which help to keep our community connected.

Council has celebrated community achievements and changes taking place in the community through its participation in

a number of volunteer events, Australia Day awards and several citizenship ceremonies. Council also worked proactively with the Taungurung Clans Aboriginal Corporation, the Registered Aboriginal Party for much of the land within Murrindindi Shire, about how Council can ensure it appropriately recognises and respects the cultural rights of Traditional Owners.

A range of funding challenges continues to exist and Council decided to seek a variation to the State Government's policy of introducing a cap on rate increases of 2.5%. This was not an easy decision, but one which was necessary due to the lack of alternative available and appropriate funding to ensure Council could continue to deliver the many services it provides to the community across Murrindindi Shire and to maintain the increased number of assets acquired since 2009. Council also continues to absorb the additional expenditure associated with cost shifting by State and Federal Governments.

The Essential Services Commission made a determination for Council to raise property rates by a maximum of 4.3% in 2016-17 only. This represents a 1.8% increase above the standard 2.5% fixed cap that the State Government declared for Victorian councils, and is specifically to help meet Council's infrastructure renewal costs. In handing down its decision, the Commission endorsed Council's fiscally responsible approach to managing its infrastructure, including Council's approach to allocation of funds to an infrastructure renewal reserve.

This is the final Annual Report of this Council and we would like to acknowledge all Councillors for their contribution and commitment to their roles in their wards, their portfolios and to the Shire as a whole. Our thanks and appreciation also goes to all our communities for their engagement across the full spectrum of Council's work in our Shire.

Margaret Abbey

Margaret Abbey
Chief Executive Officer

Margaret Rae

Margaret Rae
Mayor

Councillors

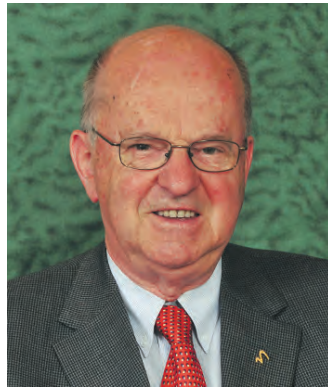


Cr Margaret Rae

Mayor
Redgate Ward
First elected:
 November 2012
Portfolio:
 The Mayor does not hold a Portfolio
Ward township: Alexandra

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



Cr John Kennedy

Deputy Mayor
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 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 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

Councillors



Cr Chris Healy
Eildon Ward

First elected:
September 2015

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 Eric Lording
King Parrot Ward

First elected:
September 2015

Portfolio:
Infrastructure and Waste

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

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



Cr Bernie Magner
Eildon Ward

First elected:
November 2012

Portfolio:
Corporate and Customer Services

Ward townships:
Thornton, Eildon

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

- Audit Advisory Committee (alternate)
- Advancing Country Towns Strategic Steering Group
- Chief Executive Officer Performance Review Subcommittee
- Eildon Alliance Boat Ramp Committee of Management
- Eildon Community Centre Committee of Management
- Eildon Community Resource Centre Committee of Management
- Goulburn Valley Waste & Resource Recovery Local Government Forum
- Thornton Recreation Reserve and Hall Committee of Management

In June 2015, Cr Magner announced his resignation as a Councillor, citing conflicting work commitments. Cr Magner's resignation was effective from 31 August 2015.



Cr Andrew Derwent
Kinglake Ward

First elected:
November 2012

Portfolio:
Community Services

Ward townships:
Kinglake, Toolangi

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

- CJ Dennis & Castella Public Hall Reserve Committee of Management
- Kinglake Community Centre Advisory Committee
- Kinglake Memorial Reserve Committee of Management
- Municipal Association of Victoria (MAV) - Emergency Management Reference Group
- Municipal Emergency Management Planning Committee
- Yea Cemetery Trust

In April 2016, Cr Derwent announced his resignation as a Councillor, citing conflicting work commitments. Cr Derwent's resignation was effective from 27 April 2016.

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 was recently elected Vice President of the International Bobbin and Needle Lace Organisation (OIDFA).

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



Margaret Abbey

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.



Michael Chesworth

General Manager Infrastructure and Development Services

Elaine Wyatt

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

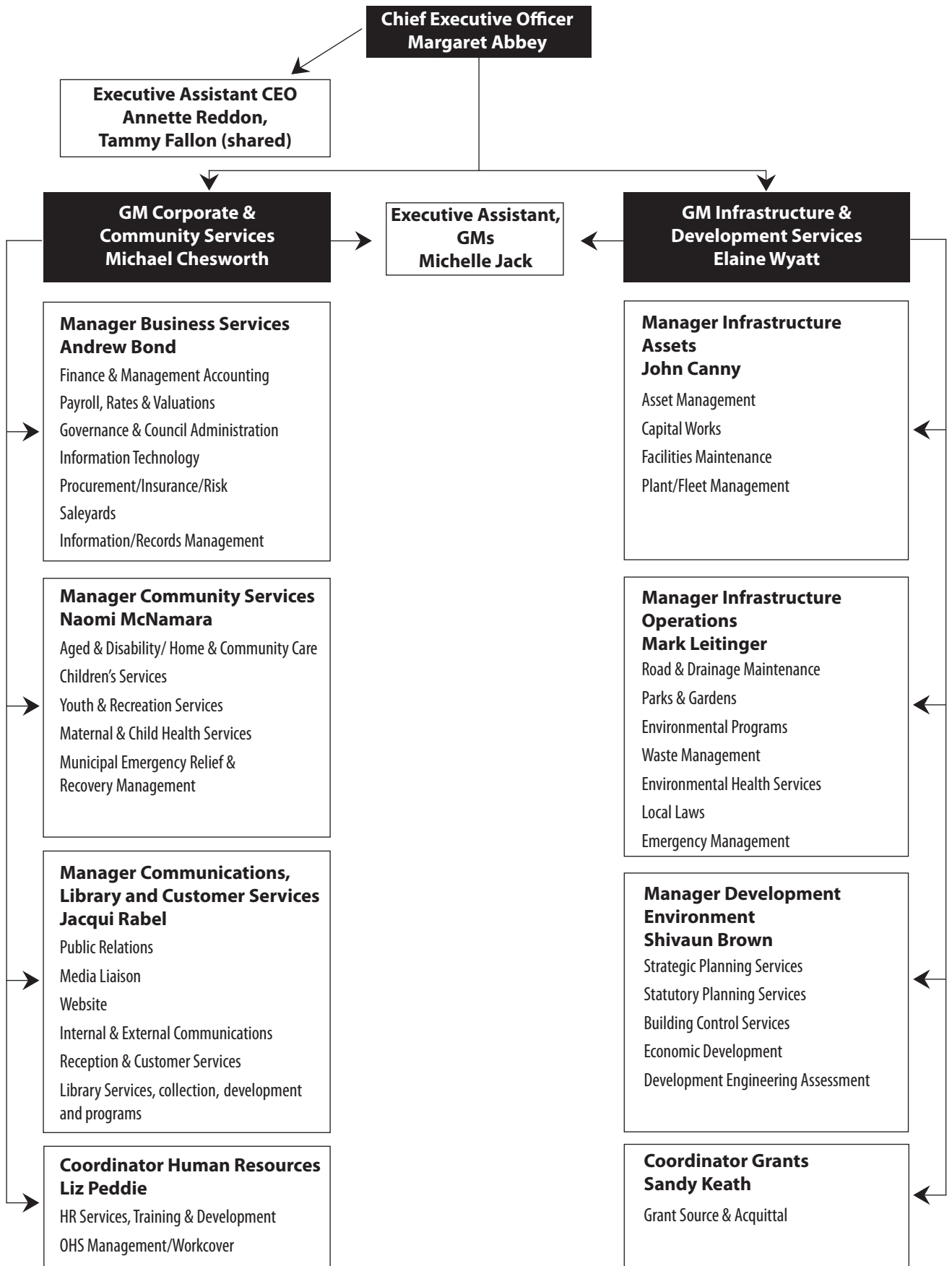
Elaine has over 22 years experience in the Highways and Infrastructure industry including over 10 years in local government roles. Elaine's technical background is in Traffic and Transport and she has a Bachelors Degree in Traffic Management and a Masters in Transport Engineering & Planning. Elaine also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

Elaine 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.



Elaine Wyatt

Organisational Structure



A Year in Review – 2015-2016

Our Council			
Strategic objective	Achievements	Challenges	Year ahead
<p>We will provide strategic leadership and effective governance that supports the aspirations of our community.</p>	<ul style="list-style-type: none"> • Council undertook a diverse range of advocacy activities on behalf of the local community, including advocacy to: <ul style="list-style-type: none"> • relevant authorities and a Senate Enquiry on the local impacts of the Murray Darling Basin Constraints Management Plan, • the Federal Government and NBN Co. about addressing mobile black spots and improving information on the NBN rollout timetable, • VicRoads regarding local impacts of the Goulburn Valley Highway speed restrictions and proposed road safety works • Agreement was reached with the State Government to transfer financial responsibility from Council to the State for managing and maintaining several public housing properties in the Shire. 	<ul style="list-style-type: none"> • Working to improve community satisfaction with Council operations, advocacy and overall performance. • Ensuring detailed long term financial and service level planning to balance the need to remain financially viable in the context of rate capping, while continuing to address the needs of the community for services. 	<ul style="list-style-type: none"> • Commencing community engagement to identify appropriate levels of services across all Council services. • Continuing to incorporate Council's strategies for asset renewal and greater community stewardship of asset management into Council's Longer Term Financial Planning.

Our Community			
Strategic objective	Achievements	Challenges	Year ahead
<p>We will support and promote health and well-being, social connectedness and community involvement.</p>	<ul style="list-style-type: none"> • Council completed a review of its aged and disability services to support the transition of Home and Community Care to the Commonwealth Home Support Program. • A gender equity statement of commitment was adopted by Council as part of a broader commitment to the prevention of violence against women and children. 	<ul style="list-style-type: none"> • Long term planning of Home Based Child Care and Aged and Disability Services in the context of changing State and Federal Government social policy • Ensuring community facilities are effectively managed and well utilised without significant costs to Council. 	<ul style="list-style-type: none"> • Working to increase the capacity of communities to undertake their own local planning and management of community projects and facilities. • Implementing a youth engagement program to encourage all young people to participate in their community and to support youth leadership skills development.

A Year in Review – 2015-2016

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"> The Watts Working Better Project was completed which saw the replacement of over 500 street lights in the Shire with energy efficient lighting technology. Significant reductions in the growth of Council's Infrastructure Renewal Gap were achieved during the year through application of additional grant funding and substantial efficiency improvements and cost savings. 	<ul style="list-style-type: none"> Identifying and seeking opportunities to fund the Capital Works renewal programs to assist in addressing the Council's Infrastructure Renewal gap. Managing community expectations regarding the maintenance standards of public infrastructure in the Shire, given Council's resourcing constraints. 	<ul style="list-style-type: none"> Developing a Business Case which investigates viable options to increase the recovery of household and commercial food and organic waste. Implementing Council's strategy to give greater responsibility to communities for managing infrastructure.

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"> Following strong advocacy by Council the Federal Government announced funding to improve mobile phone infrastructure in eight locations across Murrindindi Shire. The Murrindindi Investment Prospectus was completed to promote investment opportunities within the Shire, with a dedicated website going live in June. 	<ul style="list-style-type: none"> Identifying and implementing the mechanisms to promote the Shire and its attractions that provide the best value for money given Council's limited resources. Advocating for infrastructure and service provision that supports business retention and development within the Shire. 	<ul style="list-style-type: none"> Continuing to advocate and support the provision of education and training opportunities within the Murrindindi Shire. Completing the project to expand the Yea Saleyards.

Calendar of events – Highlights

July 2015

- Council implements a number of changes to its organisational structure ensuring a more streamlined approach to enable economic development and growth and to better reflect Council's obligations under the Local Government Act.
- Kinglake East walking path completed, providing residents a 2 kilometre link between schools, parks, residences and shops.
- CEO Margaret Abbey and a number of staff throw their support behind the Murrindindi Beanie Festival knitting and crocheting beanies to adorn Alexandra's bollards during the Festival celebrations.
- Kinglake Library's Art and Craft participants joined by film crew as part of the 'Creative Conversations' Project, a Nexus Health and Community Arts Victoria initiative.
- Council hosts Vietnamese delegation as part of a range of programs conducted by Melbourne's RMIT University
- Council endorses a recommendation for the Taylor Bay Waste Service Community Reference Group to upgrade and expand waste compound and introduce a recycling service.
- Six new citizens are welcomed and celebrated with a ceremony held in Alexandra.

August 2015

- Council calls for the community to comment on a revised Municipal Relief and Recovery Plan
- Residents urged to 'detox' their homes safely and dispose of household chemicals and dangerous waste through safe and

appropriate channels.

- Women from across the Shire celebrate the successful completion of the 'Women in Business' program.
- Council prepares for phase two of the 'Watts Working Better' street light upgrade which will see the remaining 178 Mercury Vapour lights replaced with energy efficient lights, bringing the total number of replacement lights across the municipality to 491.
- Sporting clubs are encouraged to apply for funding to support capacity building and participation through Sport Recreation Victoria's Sporting Club Grants Program.
- Rate notices are delivered for the 2015/2016 period.
- Event organisers encouraged to promote their events using one of the 14 dedicated Township Entry signs spread across the Shire or the five Community Service Club/Event signs at the entrances to the main service centres in Alexandra, Eildon, Kinglake, Marysville and Yea.
- Ghin Ghin Bridge officially opened by Council, local state parliament member Cindy McLeish and members of the community, the single-lane bridge was replaced with a new two-lane, unlimited load carrying capacity structure in just three weeks.

September 2015

- Local roads and streets across the Shire to get a much needed boost after additional funding announced under the Australian Government-funded Roads to Recovery Programme.



CALENDAR OF EVENTS • CALENDAR OF EVENTS • CALENDAR OF EVENTS • CALENDAR OF EVENTS • CALENDAR OF EVENTS



Calendar of events – Highlights

- Residents and visitors asked to share their ideas through a survey to assist in the development of a Master Plan for the future Alexandra Railway Precinct site.
- Eric Lording and Chris Healy officially sworn in as Councillors of the King Parrot and Eildon Wards respectively at a Special Meeting of Council.
- Council welcomes two new staff to the team at the Kinglake District Service Centre.
- Continuing dog attacks prompts Council to ask all residents to be vigilant in ensuring their dogs are adequately confined and responsible dog ownership exercised.
- Council reminds residents to ensure that pool and spa safety fences comply with regulatory requirements as the days get longer and the temperatures begin to rise.
- Council's Senior Planning Officer Melissa Crane awarded bursary designed to support the professional development of women in local government.
- 'Access Murrindindi' Project shortlisted as finalist in the Outstanding Program or Project category at the Local Government Pro Aged and Disability Services Awards.
- Council extends the free green waste disposal period giving residents a further opportunity to clean up their properties and dispose waste before the earlier than usual opening of the Fire Danger Period.
- Four new citizens are welcomed and celebrated with a ceremony held in Yea.
- Volunteers and staff from Visitor Information Centres enjoy a day out as part of the Murrindindi Shire Visitor Information Centre Networking Day.

October 2015

- Households, businesses, schools and community groups participate in the annual Garage Sale Trail, a first for Murrindindi Shire.
- Council, in consultation with the CFA and the Municipal Fire Prevention Committee declares a fire amnesty burn off period for people living in townships and built up areas.
- Bird lovers and nature enthusiasts take part in Aussie Backyard Bird Count, the biggest citizen science project in Australia.
- Council begins its fire preparation and prevention works including slashing, spraying, tree maintenance and property inspections.
- Nominations for the Australia Day Awards open.
- A further round of Murrindindi Shire National Emergency Medals awarded to staff of the Middle Kinglake Primary School, highlighting their efforts in the aftermath of the 2009 bushfires.
- Cr Margaret Rae re-elected as Mayor for a third term. Cr John Kennedy also returns as Deputy Mayor for another year.
- Balloonatic Bruce entertains over 50 parents and children in Rotary Park Alexandra as part of Children's Week celebrations.
- Over 140 Chinese delegates visit local agri-business sector representatives and see regional investment opportunities as part of ongoing relationship between Council and the China-Australia Free Trade Chamber of Commerce.

Calendar of events – Highlights

- Business leaders in the community participate in a Murrindindi Business and Investment Forum hosted by Council to discuss key opportunities and challenges influencing Council's investment attraction endeavours.

November 2015

- Shire residents urged to use Fire Action Week as time to plan and prepare for the upcoming fire season.
- Talented skaters and riders converge at the Kinglake Skate Park for the Victorian Skate Park League North Western Series regional final.
- Swimming pool season kicks off with free admission over the opening weekend at each of the Shire's four pools.
- Community members asked to help eradicate European Wasps in areas experiencing an unusual influx in the Shire.
- Community Food Table established at the Yea Council Office, improving access to fresh local fruit and vegetables for those who need it most.
- Y Water Discovery Centre in Yea takes out the prestigious New Tourism Business Category at the RACV Victorian Tourism Awards.
- Mayor Margaret Rae presents awards for outstanding effort at the Alexandra Library's annual Library Volunteer Lunch
- Council reviews its Code Red Policy as part of its preparations for the upcoming fire season.
- An application to amend the conditions of a permit under which the Holmesglen Rural Learning Centre operates is approved by Council.

- Council appoints a largely local panel of contractors to perform maintenance and improvement works to its buildings and assets across the Shire.

December 2015

- Yea Swimming Pool officially reopened, following redevelopment works completion.
- Extension made to consultation and feedback period for preliminary land use options at the future Alexandra Railway Precinct site, following a successful community consultation forum.
- Yea Saleyards to receive an investment of \$363,000 after it was selected as one of 111 projects across Australia to receive funding from Federal Government's National Stronger Regions Program.
- Council receives Highly Commended Award as part of the 2015 John Jago Good Governance Awards presented at the Victorian Local Governance Association's Christmas Function
- Council endorses gender equity 'Statement of Commitment' at its Ordinary Meeting.
- A joint application by the Upper Goulburn Landcare Network (UGLN) and Murrindindi Shire Council is successful in being chosen as one of the Green Army projects across Australia.
- International Day of People with a Disability celebrated at a special event at Alexandra Primary School.
- Minister for Local Government Natalie Hutchins announces Murrindindi Shire Libraries to receive \$139,000 in funding for the purchase of four back-up power generators during a visit to Kinglake.



CALENDAR OF EVENTS • CALENDAR OF EVENTS • CALENDAR OF EVENTS • CALENDAR OF EVENTS • CALENDAR OF EVENTS

Calendar of events – Highlights

January 2016

- Council invites comments from the community about the Yea Wetlands Fire Management Plan.
- Management of the community buses brought back within Council and the fleet reduced to two following a review of the service.
- Extensive economic and demographic information on the Murrindindi Shire is now readily available and accessible via the public database REMPLAN
- Alexandra Library's rich history one of almost 1000 Mechanics' Institutes documented in book, *These Walls Speak Volumes*.
- Council plays host to local producers and agricultural stakeholders at three Climate Smart Agricultural Development workshops.
- Community members and visitors celebrate Australia Day in style at one of nine events across the municipality. Three Australia Day Awards were presented in Alexandra, Yea and Marysville.
- Four new citizens welcomed and celebrated at ceremonies across the Shire on Australia Day.
- The Yea Cemetery Trust invites comments from the community about the draft Yea Cemetery Concept Plan.
- Council resolves to seek a variation to the rate cap imposed by the State Government.
- Maintenance works announced to occur over the coming 18 months along the Ultima Thule (UT) Creek in Alexandra.

February 2016

- Council holds a community consultation forum and invites residents to assist in the creation of a Community Safety Audit.
- Preparations underway as Council gets ready to host Rural Councils Victoria Summit in Marysville in March.
- Murrindindi Shire Council presented with Victorian Premier's Ancillary Sustainability Award in recognition of involvement in the Watts Working Better streetlight upgrade project.
- Mayor Margaret Rae launches Alexandra Library 2016 Acoustica Program to a large audience.
- Council resolves to submit an application to the Essential Services Commission seeking a variation to the rate cap which would allow for a rate increase of 5.4% in 2016-17

March 2016

- Over 130 Councillors, CEOs, leaders of business and industry, and economic and community development practitioners from across the state welcomed to ninth annual RCV Rural Summit held in Marysville.
- Dancers from Indigenous Hip Hop Projects entertained the crowds at the Yea Country Market as part of celebrations for Harmony Day.
- State Minister for Planning the Hon. Richard Wynne approves three amendments to the Murrindindi Planning Scheme that will help guide land use throughout the municipality.
- Council hosts a 'drop-in' session and well-attended community workshop to consult with members of the Eildon district on the development of the Eildon Structure Plan.



Calendar of events – Highlights

April 2016

- Council announces fire amnesty and free green waste period following the lifting of the CFA declared Fire Danger Period.
- Councillors and CEO meet father and son Elie and Emilio part way through their 351km wheelchair journey 'Walk to Save our Sons' from Albury to Federation Square, raising funds for Duchenne Muscular Dystrophy.
- The Yea Saleyards to expand following the purchase of a parcel of land which will accommodate future infrastructure development and allow a safer operating environment at the site.
- The new multipurpose sports court at the Yea Recreation Reserve is officially opened.
- Council, together with Goulburn River Valley Tourism, play hosts to visiting Huffington Post travel journalist from New York.
- The Eildon Bowling Club works are officially opened.
- Community sporting organisations in Murrindindi Shire encouraged to consider applying for funding support under the Victorian Government's 2017-2018 Community Sports Infrastructure Fund.
- Council farewells Cr Andrew Derwent following his resignation.

May 2016

- Following a request from the National Broadband Network, Council hosts two community information sessions for residents and business people interested in the rollout across the Shire.
- Council's Infrastructure Assets Team is the recipient of the Institute of Public Works Engineering Australasia (IPWEA) 2016 Award for

Excellence for the construction of the new Ghin Ghin Bridge.

- The Alexandra Maternal and Child Health Centre welcomes its newest mothers' group.
- New low maintenance seating and park benches installed in Alexandra's Rotary Park and on Grant Street.
- The Murrindindi Youth Partnership and Charlotte Bisset, Chief Executive Officer, Continuing Education and Arts Centre Alexandra (CEACA) awarded the Central Ranges Local Learning and Employment Network 'Christine Cox Trailblazer Award'.
- Six new citizens welcomed and celebrated at a ceremony in Alexandra.
- The Essential Services Commission hands down its decision and grants Council permission to raise rates by up to 4.3%, a 1.8% increase above the standard 2.5% fixed cap.

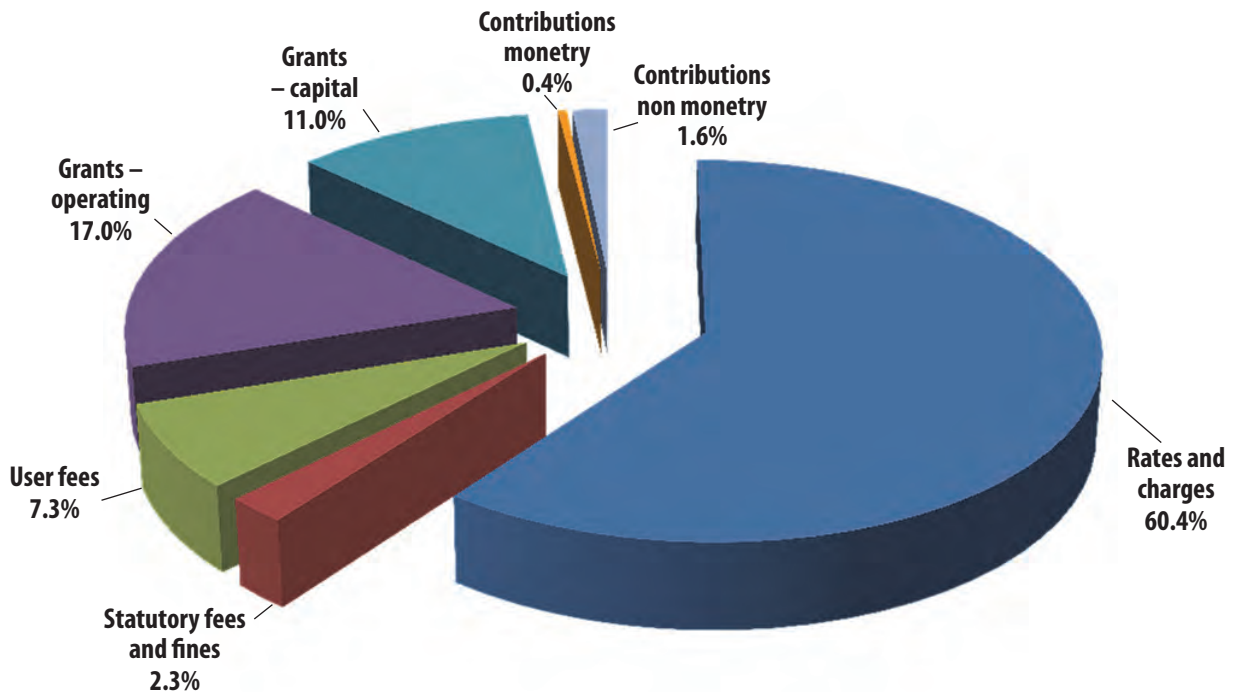
June 2016

- Council announces new operators at the caravan park in Yea will commence shortly under a new 21 year lease.
- Over 40 community members attend informative and engaging 'Climb the Ladder' Grant Forum.
- Council launches new, accessible and user friendly website.
- Draft Budget and third year review of Council Plan incorporating Strategic Resource Plan (SRP) placed on public exhibition.
- Goulburn Broken Catchment Management Authority together with Council and St Mary's Primary School Students plant over 300 trees along UT Creek in Alexandra.

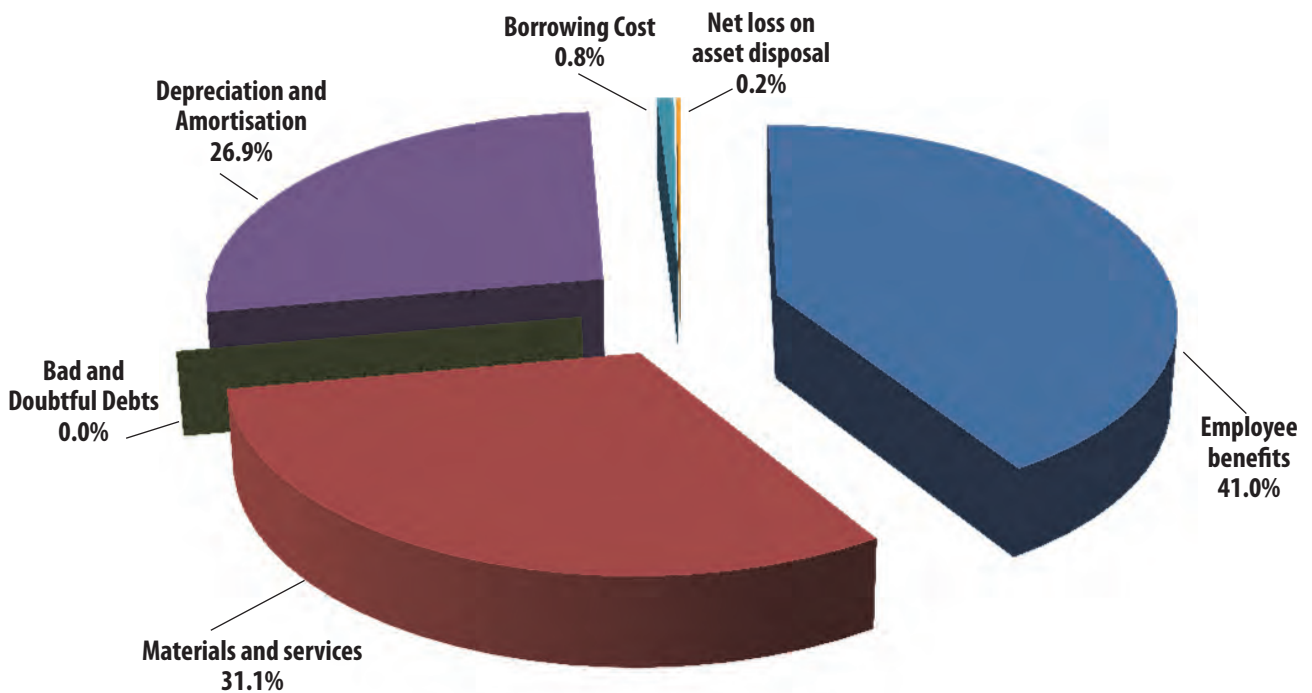


Financial overview 2015-2016

Income Breakdown

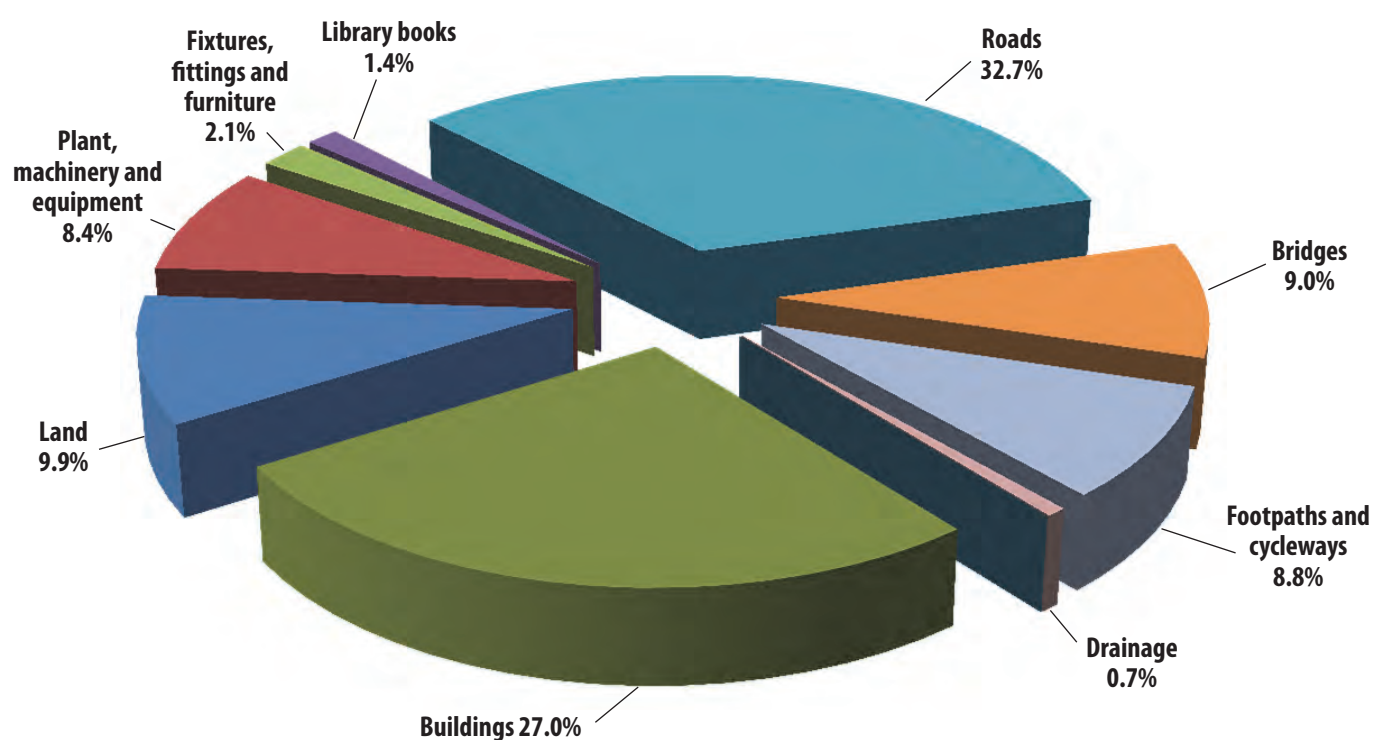


Operating Expense Breakdown



Financial overview 2015-2016

Capital Expenditure Breakdown

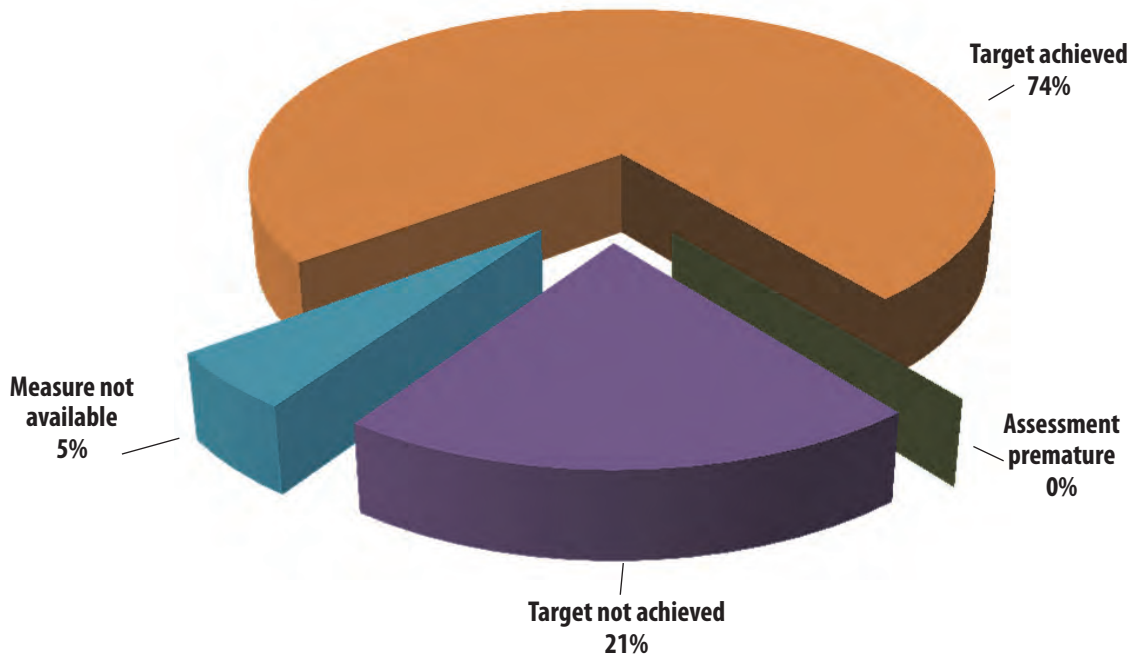


Performance reporting

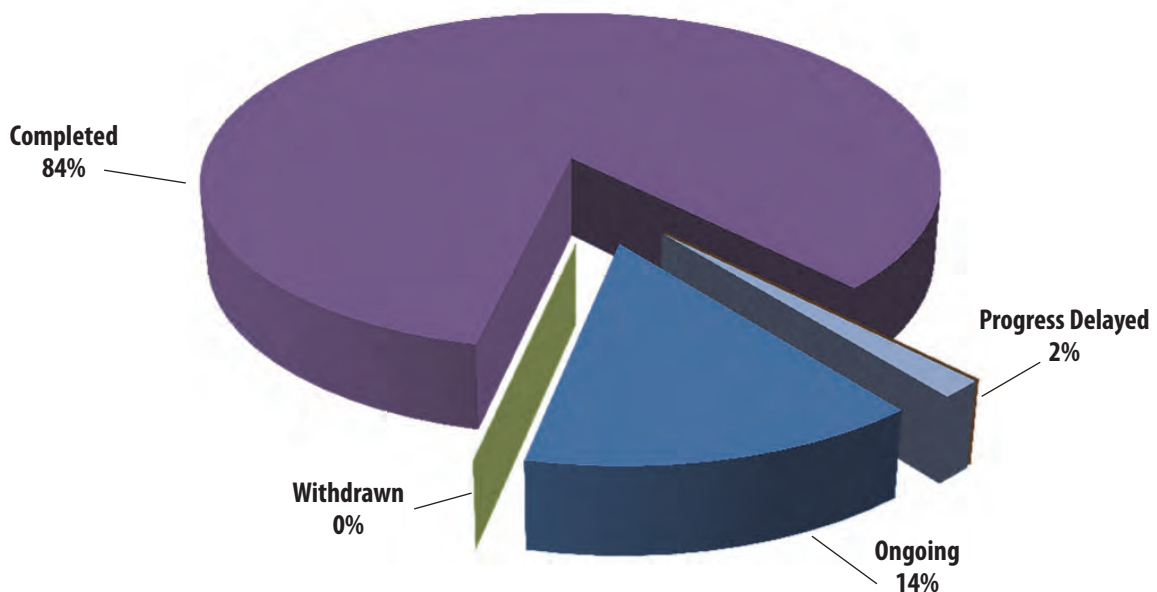
We report on our performance under the four goals of the *Council Plan 2013-2017*. The Council Plan is the key strategic document which reflects Council's priorities and informs our work.

We have completed Year 3 of the Council Plan 2013-2017 with 74% of Key Performance Indicators (KPIs) achieved and 84% of Year 3 Activities completed.

Council Plan 2013-2017 Year Three KPIs



Council Plan 2013-2017 Year Three Activities



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 a diverse range of advocacy activities on behalf of the local community, including advocacy to:
 - relevant authorities and a Senate Enquiry on the local impacts of the Murray Darling Basin Constraints Management Plan,
 - the Federal Government and NBN Co. about addressing mobile black spots and improving information on the NBN rollout timetable,
 - VicRoads regarding local impacts of the Goulburn Valley Highway speed restrictions and proposed road safety works.
- Agreement was reached with the State Government to transfer financial responsibility from Council to the State for managing and maintaining several public housing properties in the Shire.
- The new Council website was launched which provides easier navigation, meets accessibility standards, is responsive across different devices and enables quick access to most frequently used customer services.
- The Essential Services Commission (ESC) provided a partial exemption to the State Government cap on rate increases for 2016/17, following an application by Council, in recognition of Council's longer term asset renewal funding challenges.
- Council initiated a work experience program with students from Alexandra Secondary College and participated in a careers day providing information and insight into the variety of pathways to employment and career opportunities in local government.
- A new Grants Policy was drafted during the year, including a priority assessment tool which is being used to identify and prioritise new funding opportunities to support the achievement of Council's Objectives.

Challenges

- Continuing to work with the community to improve satisfaction with Council operations, advocacy and overall performance.
- 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.
- Encouraging greater community responsibility for the ongoing management and funding of community facilities.

Looking forward

- Commencing community engagement to identify appropriate levels of services across all Council provided services.
- Exploring the potential benefits of shared services and collaborative activities across the Local Government sector.
- Reviewing Council's Rating Strategy to examine the feasibility and impacts of introducing a Township Amenity differential rate.
- Continuing to incorporate Council's strategies for asset renewal and greater community stewardship of asset management into Council's Longer Term Financial Planning.
- Continuing to implement leadership development and multi-skilling opportunities across all levels of the organisation.

1.1 Leadership – We will deliver visible leadership and advocacy

Key Performance Indicators

Key Performance Indicators	Target	Status	Comment on progress and outcomes
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 ran a number of forums for the community through the year, including the 'Climb the Grants Ladder'; the Eildon Structure Plan Forums and the Public Safety Infrastructure Forum. Open drop in sessions were held in Marysville and Kinglake for residents interested in attending Planned Activity Programs in the area and to seek community input into how programs can best be designed to meet the needs of the community. Council also hosted NBN community and business information nights.
Advocacy to the State and Federal Governments	Advocate on behalf of the community on a minimum of 10 issues a year	Target achieved	Council advocated on a range of issues during the year. See 1.1.1 for details.

Leadership Year 3 Actions

Council Plan Strategy	Year 3 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	Council has undertaken a diverse range of advocacy activities during the year on behalf of the local community. Examples include advocating to relevant authorities and a Senate Enquiry on the local impacts of the Murray Darling Basin Plan and the associated Constraints Management Plan. Participation in various Local Government industry and State Government forums on the review of the Local Government Act to ensure that the needs of rural and regional communities are reflected. Advocacy to the Victoria Building Authority to provide greater clarity around roles and responsibilities in relation to the Building Act and regulations. Council also advocated for the needs of older people living in Murrindindi in relation to the transition of services to the Federal Government
Actively develop and implement a long term vision for Murrindindi Shire	Continue the implementation of Council's 2030 Vision	Completed	Through the year Council drew on the Murrindindi 2030 Vision in planning its activities and implementing actions, which included the submission to the Essential Services Commission to support Council's application for variation to the rate cap.
Building community relationships and trust through community forums and engagement	Identify and work with community leaders to progress Council's asset management transition strategy	Ongoing	Discussions were held during the year with State Government departments and authorities on the potential transfer of State-owned assets back to the State Government. Agreement was reached with the State during the year to transfer responsibility back for managing and maintaining various public housing properties within the Shire.
Communicate key Council decisions and strategies to the community in a variety of ways	Outline to the community how Council will implement its strategy to give greater responsibility to communities for managing infrastructure	Ongoing	Council highlighted its strategy to give greater responsibility back to communities and user groups for the management and maintenance of assets via a range of mediums including media releases, weekly Councillor and Mayor media comments and in publications including the annual Council Plan 2015 review.

1.2 Customer Service – We will deliver quality customer outcomes by implementing better ways of doing things

Key Performance Indicators

Key Performance Indicators	Target	Status	Comment on progress and outcomes
Community perception of performance for customer service	Achieve a score of 66 or more in the annual community satisfaction survey	Target achieved	Council achieved an average index score of 67 in the 2015/16 survey which remains higher than the target set of "66 or more.
Number of business processes implemented	Improve a minimum of five business processes a year	Target achieved	Business process improvements completed during the year to create efficiencies and improve service quality outcomes included 1) streamlined organisational procurement practices, 2) introduction of an improved website to improve customer access to information, 3) testing and refinement of new Business Continuity procedures to minimise service loss caused by unexpected business interruptions, 4) improved processes for the planning and scheduling of road renewal works across the Shire, 5) implementation of improved enterprise risk identification and management processes.

Customer Service Year 3 Actions

Council Plan Strategy	Year 3 Action	Status	Comment on progress and outcomes
Build on our customer service and communications with the community	Further develop Council's customer response tracking processes and establish indicators of Council's responsiveness	Completed	Rollout of the new Council website was completed, which delivers a considerable improvement to Council's customer service and communication, by providing a more streamlined and easy to navigate portal which is accessible, responsive across devices and enables quick access to most frequently used customer services.
Continue to improve our processes to enhance the efficiency and effectiveness of the organisation	Adjust Council's reporting of its performance to meet the requirements of the new Local Government Performance Reporting Framework and the introduction of the 'My Council' website	Completed	Council's Annual Report for 2014/15 was published in October 2015 following its adoption by Council. The report incorporates the requirements of the new Performance Reporting Framework. The report was made available on Council's website and at all Council Offices.
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 commenced a shared services relationship with Mansfield Shire Council for the provision of building surveying services in 2015/16. Council also entered into a short-term arrangement in early 2016 with Mansfield Shire Council to receive additional commercial waste that the Mansfield Council is currently unable to take. Council participated in shared procurement arrangements with other councils during the year including kerbside garbage and recycling collection and line marking service contracts. Council was also able to renegotiate its mobile telephone services contract in 2015/16 utilising pricing that was made available through the Municipal Association of Victoria to all Councils resulting in increased service levels at a reduced cost. Preliminary discussions have also been held with neighbouring councils and the Hume region on other opportunities for sharing services and equipment.

1.3 Financial Sustainability – We will administer sound financial management practices

Key Performance Indicators

Key Performance Indicators	Target	Status	Comment on progress and outcomes
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 Council's rate base increased to \$3.936 billion during 2015/16, an increase of 1.8%.
Rate base increased by new and quality developable lots	Increase the number of lots for development across the Shire	Target achieved	The number of rateable assessments in the Shire increased by 102 during the 2015/16 financial year, reflecting increased development and growth in the property market.

Financial Sustainability Year 3 Actions

Council Plan Strategy	Year 3 Action	Status	Comment on progress and outcomes
Growing our rate base through diligent planning	Growing our rate base through diligent planning	Completed	Council finalised the Murrindindi Investment Prospectus during the year which aims to promote investment in the Shire. Council also adopted the Eildon Structure Plan and commenced implementation of the Yea Structure Plan to give effect to land use plans that promote increased development in these two townships.
Provide value for money through the delivery of long term financial plans	Reflect the Council's strategies for asset renewal and greater community stewardship of asset management into Council's Longer Term Financial Planning	Completed	Council submitted a detailed application to the Essential Services Commission (ESC) in March 2016 seeking an exemption from the newly imposed rate cap by the State Government, to allow for the fulfillment of Council's Long Term Financial Plan, which incorporates Council's asset management responsibilities. The ESC approved that part of the application relating to Council's long term asset renewal needs.
Practice responsible grants management and how we access grants	Increase capacity to attract grants to support the achievement of Council's strategic objectives	Completed	A draft Grant Policy was prepared during the year, including a priority assessment tool for potential grant projects which is being used to identify and prioritise new funding opportunities to support the achievement of Council's Objectives.
Promote an equitable rating strategy for all ratepayers	Implement Council's newly adopted Rating Strategy	Completed	Council's newly adopted rating strategy was implemented for the 2015/16 rating year, with rates notices issued in August 2015.

1.4 Staff – We will have engaged and professional staff

Key Performance Indicators

Key Performance Indicators	Target	Status	Comment on progress and outcomes
Staff Satisfaction	<p>Improve internal staff satisfaction results year on year</p> <p>Reduce staff sick leave days by 1% per annum</p>	<p>1st Target achieved</p> <p>2nd Target not achieved</p>	<p>Council improved on all indicators in the staff satisfaction survey since the 2013 survey which meets the target specified.</p> <p>General Managers, Managers and Coordinators met regularly with staff to address the key survey findings relative to their department. Issues are different across the organisation but each department has a regular discussion on key issues.</p> <p>The lost time sick leave for the 2015-16 year is 3.68% which did not meet the target of 3.24% (based on 1% p.a. reduction). The Lost Time Sick Leave (LTSL) rate includes sick leave, planned medical leave and leave to care for sick dependents. The trend for most of the year tracked higher than the previous year and despite an improvement in the final quarter it was not sufficient to meet the target. Analysis indicates that there was an increase in staff with time off for medical procedures that is consistent with an ageing workforce which contributed to the higher figure.</p>
Number of staff training days	Increase staff training days by 1% per annum	Target achieved	<p>Council continued with a strong focus on providing diverse and targeted staff training during the year so as to improve efficiencies and compliance as well as promote staff engagement and development.</p> <p>In 2015/16 954 participants completed the equivalent of 632.5 training days across 85 different learning and development activities, exceeding the target to increase the number of staff training days.</p> <p>Highlights included a variety of leadership development opportunities including supporting employees in Certificate IV and Diploma in Frontline Management, emerging leaders and executive leadership development; compliance programs such as fraud awareness; technical skills in IT, information management and business writing; customer service focused programs; OHS programs such as driver safety, snake and spider awareness for outdoor workers and situational awareness for staff travelling alone to isolated locations. In addition a range of technical programs were provided for people with specific role requirements such as mandatory reporting, taxation changes, tree pruning, asbestos awareness and building regulations.</p>
Health and safety	Reduce Time Lost through workplace injury by 5% per annum	Target not achieved	<p>The Lost Time for Injury (LTI) for 2015-16 was 0.32% which is slightly higher than 0.22% in 2014/15, which remains historically the lowest for many years. Despite not meeting the target of improvement on the previous year, the figures represent an almost 60% improvement in lost injury time in comparison to the figures at the start of the current 4 year Council plan.</p>

Staff Year 3 Actions

Council Plan Strategy	Year 3 Action	Status	Comment on progress and outcomes
Ensure a healthy and safe workplace for all staff	Continue to develop Council's policy framework and monitoring systems to improve workplace health and safety practices	Completed	<p>Overall the health and wellbeing of the organisation remained positive during the year. Employees rated health and safety in the workplace in the top 5 performing indicators in the survey. Although lost time to either sick leave or workplace injury is slightly up on the previous year, the figures show a marked improvement on the preceding 5 years.</p> <p>A range of activities to support this action were undertaken including the business continuity planning, workplace inspections, refresher training for OH&S committee members and updates to the policy framework. More generally many activities were delivered to promote employee health and wellbeing, such as skin checks (with 11 staff referred for follow-up) pedometer and other exercise challenges, diverse nutritional and health information distributed and health and safety workshops on specific issues such as first aid, safety first and women's health/men's health.</p>
Provide staff training and professional development opportunities	Progress the development of a voluntary staff rotation program across the organisation	Ongoing	This project was trialed in a limited area and has been predominantly deferred to the next year due to competing priorities.
Provide workforce development and succession planning opportunities	Identify opportunities to incorporate cadetships, traineeships and apprenticeships into the workforce	Ongoing	This project was deferred this year due to funding constraints, but will be pursued next year should an appropriate vacancy arise that would support a trainee or apprenticeship appointment.
Provide workforce development and succession planning opportunities	Identify and develop a work experience program linked to local secondary schools	Completed	Council hosted work experience students from Alexandra Secondary College. Council staff also participated in a careers day providing information and insight into the variety of pathways to employment and career opportunities in local government.

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 2016	Material Variations
<p>Governance</p> <p>Transparency Council decisions made at meetings 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, closed to the public / Number of Council resolutions made at ordinary or special meetings of Council or at meetings of a special committee consisting only of Councillors] x 100</p> <p>Consultation and engagement Satisfaction with community consultation and engagement Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement</p> <p>Attendance Councillor attendance at council meetings [The sum of the number of Councillors who attended each ordinary and special Council meeting / (Number of ordinary and special Council meetings) x (Number of Councillors elected at the last Council general election)] x100</p> <p>Service cost Cost of governance [Direct cost of the governance service / Number of Councillors elected at the last Council general election]</p> <p>Satisfaction Satisfaction with council decisions [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]</p>	<p>9.00%</p> <p>47.00</p> <p>87.50%</p> <p>\$20,336.29</p> <p>42.00</p>	<p>No material variations for 2015/16.</p> <p>No material variations for 2015/16.</p> <p>Slight decrease in attendance rates for 2015/16 was due to the resignations of Crs Ruhr, Magner and Derwent that effected Council meeting attendance in the last financial year.</p> <p>No material variations for 2015/16.</p> <p>This result is below the small rural average for 2015/16 and a 5 point decrease from 2014/15 and may reflect a response by the community to the decision made by Council with regard to application for a rate cap variation for 2016/17.</p>

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 was successful in its application for an Age Friendly Communities Grant in partnership with Alexandra District Health, Nexus Primary Health, Yea and District Memorial Hospital and the Lower Hume Primary Care Partnership to improve outcomes for older people across the Shire.
- Council completed a review of its aged and disability services to support the transition of Home and Community Care to the Commonwealth Home Support Program.
- A gender equity statement of commitment was adopted by Council as part of a broader commitment to the prevention of violence against women and children.
- The Municipal Relief and Recovery Plan was reviewed and adopted by Council which incorporated input from local community groups, service clubs and funded service providers to improve local relief and recovery support following emergency events.
- Council endorsed a new Gaming Policy Framework to guide decision making in relation to gaming machine approvals, with the priority on minimising negative social consequences of gaming within Murrindindi communities, whilst supporting responsible recreational use.
- Council was successful in attracting funding from the State Community Sport Infrastructure Fund to improve recreation and open space planning within the Shire.

Community Engagement

Strategic Objective – What we will do

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

Challenges

- Long term planning of Home Based Child Care and Aged and Disability Services in the context of changing State and Federal Government social policy
- Ensuring community facilities are effectively managed and well utilised without significant costs to Council.
- Integrating into a single planning framework the range of Council activities that support community health and wellbeing in the face of changing community needs.

Looking forward

- Working to increase the capacity of communities to undertake their own local planning and management of community projects and facilities.
- Undertaking an assessment of community needs in order to progress development of Council's Recreation and Open Space Strategy.
- Implementing a youth engagement program to encourage all young people to participate in their community and to support youth leadership skills development.
- Continuing to strengthen relationships with indigenous and culturally diverse communities across the shire in order to deliver culturally appropriate services.
- Undertaking an audit of disability car parking in Murrindindi Shire and promoting disability awareness and appropriate use.

Council Plan activities

2.1 Health and Wellbeing – We will advocate for and support the lifelong needs of our community

Key Performance Indicators

Key Performance Indicators	Target	Status	Comment on progress and outcomes
Implementation of actions in the Municipal Public Health and Wellbeing Plan	100% completion by June 2016	Target achieved	Actions for year three of the Municipal Public Health and Wellbeing Plan have been completed.
Home and Community Care (HACC) services delivered to the community in accordance with Service Agreements	95% of HACC targets reached	Target achieved	Council has been successful in achieving 99% of overall Home and Community Care targets.
Development of a Recreation and Open Space Plan in partnership with the community	Complete by July 2016	Target not achieved	Council has been successful in attracting funding from the Community Sport Infrastructure Fund to undertake Recreation and Open Space Planning. Funding was confirmed in May 2016, delaying the overall progress of the plan. The plan will be completed in 2016/17.

Health and Wellbeing Year 3 Actions

Council Plan Strategy	Year 3 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	Council continued to deliver early years services including In Home Care and Family Day Care Services offering flexible child care arrangements for families. Council continued to coordinate the Children's Services Network which includes all early years' services across Murrindindi. The Network has worked to improve referral and information sharing across services to improve efficiencies and coordination of services for families. The Kinglake Early Years Services (KEYS) Network has also been established this year to support this work specifically in the Kinglake Ranges area. The Children's Services network held a very successful third annual conference, supporting professional development of early years services workers across the shire creating a professional well trained work force.
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	A meeting of Aged Care Service providers including residential aged care services was held by Kellock Lodge where there was agreement to pursue ongoing opportunities for closer partnership and collaboration. A second meeting has been scheduled to progress this in 2016/17. Council has successfully applied for an Age Friendly Communities Grant in partnership with Alexandra District Health, Nexus Primary Health, Yea and District Memorial Hospital and the Lower Hume Primary Care Partnership. A community consultation process is being developed (for implementation in the next financial year) to further explore community priorities and develop projects to improve outcomes for older people across Murrindindi Shire.

Council Plan activities

Health and Wellbeing Year 3 Actions (continued)

Council Plan Strategy	Year 3 Action	Status	Comment on progress and outcomes
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 continued to provide a range of services that actively support older people to remain active and connected including support in the home and social support through a range of activities, outings, community meals and groups. Over the past 12 months Council has provided 10,271 hours of support to people attending planned activity groups and 1,638 community meals. Council has implemented a range of recommendations from the Aged and Disability Services review that will assist Council officers to continue to support older people to remain independent, in their own homes and connected to their community.
Strengthen partnerships with service providers to meet the demonstrated health needs of our communities	Work with the Health and Wellbeing Consortium to advocate for improved access to services across Murrindindi Shire	Completed	The Health and Wellbeing Consortium met regularly over the past year. The group undertook two strategic planning sessions and developed a draft terms of reference and action plan to coordinate advocacy and service system development and improvement. Council also worked closely with the Hume Home Care Packages Consortium to ensure local service provision for recipients of home care packages continues.
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 providers	Completed	The Municipal Public Health and Wellbeing Plan Year 3 implementation plan was completed. The following provides some examples of the outcomes achieved over the past 12 months. Communication access tools were developed and introduced to key Council services. Reviews of Aged and Disability Services and the Community Bus program were completed. Council's website was redeveloped improving accessibility and information available to the community. Key events were facilitated by Council including the Early Years conference, International Day of People with a Disability, Seniors Week and Volunteers week. Several key accessibility upgrades to facilities and pathways were completed including the yea pool redevelopment. Key policy and strategy reviews undertaken during the year included the Gaming Strategy Framework, the Municipal Relief and Recovery Plan and the Municipal Fire Management Plan. A number of healthy eating and physical exercise programs were supported including community gardens, dental health education and men's health promotion. Council adopted a gender equity statement of commitment as part of a broader commitment to the prevention of violence against women and children.

Council Plan activities

Health and Wellbeing Year 3 Actions (continued)

Council Plan Strategy	Year 3 Action	Status	Comment on progress and outcomes
Work with young people and service providers to identify and respond to youth priorities across their respective communities	Work with young people and service providers to identify and respond to youth priorities across their respective communities	Completed	The Murrindindi Resilience Project coordinated by the Murrindindi Youth Partnership provided positive momentum in supporting evidence based resource allocation and program planning. Approximately 800 young people were surveyed in year one of the project across Primary and Secondary Schools in Murrindindi. Comprehensive data and information was received through this process to assist schools and service providers identify how young people are feeling and what areas need further support and attention. Council demonstrated commitment to further supporting youth resilience with additional funding to grow the current successful FReeZA program and other youth participation initiatives such as Change It Up.
Support participation in a range of sport recreation and leisure activities		Completed	Council delivered a successful year with priority projects being Yea Swimming Pool re-development; Pool maintenance works at Alexandra, Yea and Marysville; Terip Terip Recreation Reserve tennis courts upgrade; Gallipoli Park Cricket Nets development; Yea Recreation Reserve Multi Purpose Court development; Eildon Bowling Club improvement works; and funding for the Alexandra Showgrounds Netball Courts development. Many of these projects involved significant community contribution, State Government funding, and Council financial and in kind contribution. Council's service provision at the four swimming pools continues to attract significant patronage during morning lap swimming and public hour visitation.

Council Plan activities

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

Key Performance Indicators

Key Performance Indicators	Target	Status	Comment on progress and outcomes
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	Target achieved	The Community Indicators Victoria measure has not been updated in the past three years. However, available data indicates that Murrindindi Shire residents are slightly more engaged in arts and cultural activities than the Victorian average and significantly more engaged than the Hume region average. Council has planned and facilitated many arts and cultural events over the past 12 months including hosting visiting writers, performers and speakers through Library services, Children's Services and Aged and Disability Services events.
Progress the Urban Access Program (pathways and related infrastructure, total identified projects – 101)	100% of annual identified projects completed per annum	Target not achieved	All projects identified were completed with the exception of the Eildon Township Rejuvenation project which was postponed due to the need for a water authority to undertake underground works first. This project will be completed in the first half of 2016/17.
Update and progress on the Missing Links program (total projects identified – 29)	5 projects per annum	Target not achieved	Budget priority was given to the completion of a single larger missing links project in High Street Yea during the year involving significant new footpath construction.
Audit of disability access issues regarding pathways and missing links	Audit of disability access issues complete by June 2015	Target achieved	This audit was completed in the 2014/15 year.
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	Several events encouraging and promoting community networking have been undertaken by Council this year including Health and Wellbeing strategic planning, Relief and Recovery Planning consultations and the Change it Up events.
Promote and acknowledge volunteers	Minimum of 1 Council-initiated event per annum Ongoing participation in the Murrindindi Volunteer Advisory Group	Target achieved	Council celebrated volunteers' contributions with an afternoon tea and entertainment. Council also participated in other volunteer celebrations hosted by the Flowerdale Community House and the Kinglake Ranges Neighbourhood House.
Feasibility study and advocacy plan to governments to improve public and social housing options	Advocacy plan developed	Target achieved	Advocacy planning for improved public housing options in the Shire was undertaken during the year. Refer to 2.2.7.1 for details.

Council Plan activities

Social Connectedness Year 3 Actions

Council Plan Strategy	Year 3 Action	Status	Comment on progress and outcomes
Prioritise the activities of Council and engage other stakeholders to improve peoples' access and inclusion	Prioritise the activities of Council and engage other stakeholders to improve peoples' access and inclusion	Completed	The Access and Inclusion Committee has continued to meet regularly over the past year. Several key access and inclusion activities have been supported in this time including improvements in communication access resources and practices, disability parking audits and the further dissemination of the Access Murrindindi booklets. Council officers have established effective working relationships with the Taungurung Clans Aboriginal Corporation. A regular meeting schedule is in place and key joint priorities have been identified.
Ensure access and social connectedness is considered in the planning and development of facilities and infrastructure	Undertake an assessment of community needs with respect to recreation and use of open space facilities and programs	Ongoing	Officers have successfully developed a consultancy brief that has attracted State Government funding to progress Recreation and Open Space planning in 2016/2017. Further work is taking place to enable integration with other strategic projects requiring community engagement that will be taking place at the same time.
Support participation in a wide range of artistic and cultural pursuits	Facilitate the development of a Community Arts and Culture Forum	Ongoing	Initial enquiries with community groups commenced to determine the scope and purpose of a proposed Arts and Culture forum. To date interest has not been strong amongst groups to pursue a forum, however further conversations are being planned.
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	A review of the Municipal Relief and Recovery Plan was completed during the year. As part of the review process, seven community consultations and information sessions were held in addition to presentations to service clubs and community groups. The revised plan was adopted by Council in October 2015. Community groups, service clubs and funded service providers participated in a resource mapping exercise and the collated information on local relief and recovery capacity and capability has been recorded in the revised plan. A Memorandum of Understanding has been drafted between Council and the Rotary Club of Alexandra to formalise their role as coordinators of material aid during periods of relief and recovery.
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	A number of Community groups have been successful in gaining a Council Community Grant to progress community projects and initiatives. Letters of support have been provided to community groups to assist them in their applications to various grant and funding bodies.
Recognise, support and value volunteers	Work collaboratively with key partners to support the coordination of volunteer recruitment and training	Completed	A Volunteer Murrindindi website developed by the Kinglake Ranges Neighbourhood House was activated during the year. The website links community members across Murrindindi wishing to volunteer with community groups and agencies seeking volunteers. This initiative was officially launched in May 2016 and is supported by Council. Further work is planned to explore the potential to operate a Volunteer Resource Centre at the Kinglake Ranges Neighbourhood House which could include shared training, support and induction of volunteers.
Advocate for better access to public and social housing options	Advocate for better access to public and social housing options	Completed	Two strategic planning sessions were held during the year with the Health and Wellbeing Consortium where social and community housing was raised as an issue. Conversations with Rural Housing Network and SalvoCare regarding the need for improved housing options have taken place. Advocating for improved social and community housing has been included in the Municipal Public Health and Wellbeing Plan.

Council Plan activities

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

Key Performance Indicators

Key Performance Indicators	Target	Status	Comment on progress and outcomes
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	Target not achieved	Data indicators in the Community Satisfaction Survey measuring community perceptions of performance in health and human services include performance in providing elderly support services (score 62), family support services (score 59) and recreation services (score 60).

Community Engagement Year 3 Actions

Council Plan Strategy	Year 3 Action	Status	Comment on progress and outcomes
Trial and evaluate locality-based planning, that involves local communities	Seek funding to increase the capacity of communities to undertake their own local planning and management of community projects and facilities	Completed	The framework for a local community planning model has been developed. Funding for planning has been sourced via the Insurance Australia Group to allow for further development of the initiative with the Executive and Senior Management Team at Council.

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

REPORT OF OPERATIONS		
Service Performance Indicators <i>Service/indicator/measure</i>	Results 2016	Material Variations
<p>Aquatic Facilities</p> <p>Service standard <i>Health inspections of aquatic facilities</i> [Number of authorised officer inspections of Council aquatic facilities / Number of Council aquatic facilities]</p> <p>Health and Safety <i>Reportable safety incidents at aquatic facilities</i> [Number of WorkSafe reportable aquatic facility safety incidents]</p> <p>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]</p> <p>Utilisation <i>Utilisation of aquatic facilities</i> (Number of visits to aquatic facilities / Municipal population)</p>	<p>1.00</p> <p>0.00</p> <p>\$17.03</p> <p>1.42</p>	<p>No material variations for 2015/16.</p> <p>No material variations for 2015/16.</p> <p>Data collection was reviewed in 2015/16 resulting in improved accuracy of attendance data. Results for 2014/15 included estimates for daily family tickets which did not clearly specify the amount of children entering under this ticket.</p> <p>Data collection was reviewed in 2015/16 resulting in improved accuracy of attendance data. Results for 2014/15 included estimates for daily family tickets which did not clearly specify the amount of children entering under this ticket. Council's utilization of the four aquatic facilities across the Shire is also impacted by the large amount of lakes and rivers that exist within the Shire boundaries.</p>
<p>Home and Community Care (HACC)</p> <p>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</p>	<p>100.00%</p>	<p>No material variations for 2015/16.</p>
<p>Libraries</p> <p>Utilisation <i>Library collection usage</i> [Number of library collection item loans / Number of library collection items]</p> <p>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</p>	<p>1.91</p> <p>35.02%</p>	<p>No material variations for 2015/16.</p> <p>No material variations for 2015/16.</p>

REPORT OF OPERATIONS

Service Performance Indicators Service/indicator/measure	Results 2016	Material Variations
Libraries (continued)		
<p>Service cost Cost of library service [Direct cost of the library service / Number of visits]</p>	\$18.93	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.
<p>Participation Active library members [Number of active library members / Municipal population] x100</p>	21.44%	Active library participation increased across the municipality when compared to data recorded in 2014/15 by 4.8%.
Maternal and Child Health (MCH)		
<p>Satisfaction Participation in first MCH home visit (Number of first MCH home visits / Number of birth notifications received) x100</p>	95.28%	Council's results for 2015/16 are inclusive of all visits undertaken throughout the year, whereas last year's results excluded visitation from non-residents. The 2015/16 results are now a better reflection of the overall service delivered in the Shire for the year.
<p>Service standard Infant enrolments in the MCH service [Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received] x100</p>	95.28%	No material variations for 2015/16.
<p>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</p>	95.28%	Council's results for 2015/16 are inclusive of all visits undertaken throughout the year, whereas last year's results excluded visitation from non-residents. The 2015/16 results are now a better reflection of the overall service delivered in the Shire for the year.
<p>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</p>	100.00%	No material variations for 2015/16.

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

Achievements

- Targets were achieved in diverting waste from landfill to recycling (40% achieved), reducing energy consumption at major Council sites (by 6.8%), and reducing paper consumption at Council's head office in Alexandra (by 15%).
- The Watts Working Better Project was completed which saw the replacement of over 500 street lights in the Shire with energy efficient lighting technology.
- Amendment C54 to the Murrindindi Planning Scheme which revised the Municipal Strategic Statement to reflect the directions of the Council Plan was gazetted and is now incorporated into the Scheme.
- Public place recycling bins were introduced in Alexandra, Yea, Kinglake, Thornton and Taggerty.
- Council successfully completed a number of environmental projects on Council controlled land, including the delivery of Council's Roadside Weed Control Program, support to the Green Army (which included weed control, installation of nest boxes, and plantings on 18 reserves managed by Council) and delivery of the Ribbons of Remnant Roadsides Program.
- Council's Local Bushfire Policy was gazetted and incorporated into the Local Planning Policy Framework of the Murrindindi Planning Scheme.
- Significant reductions in the growth of Council's Infrastructure Renewal Gap were achieved during the year through application of additional grant funding and substantial efficiency improvements and cost savings.
- Council developed and adopted an Asset Renewal Policy to guide infrastructure renewal planning and decision making.

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

Challenges

- Managing and promoting growth within the shire whilst balancing economic, social and environmental outcomes for the municipality.
- Managing expectations from the community in relation to Council's ability to reduce municipal fire risks within resourcing levels.
- Identifying and seeking opportunities to fund the Capital Works renewal programs to assist in addressing the Council's Infrastructure Renewal gap.
- Managing expectations from the community with respect to the maintenance standards of public infrastructure in the Shire, given Council's resourcing constraints.
- Ensuring plans and strategies that encourage "planned" development within the municipality are implemented so that the benefits sought are achieved.

Looking forward

- Developing a Business Case which investigates viable options to increase the recovery of household and commercial food and organic waste.
- Developing a plan for the Resource Recovery Centres to identify further opportunities to increase recycling and further development of scavenging / reuse (tip) shops.
- Developing a program to implement Council's existing Structure Plans, Development Plans and Urban Design Frameworks.
- Implementing Council's strategy to give greater responsibility to communities for managing infrastructure.
- Implementing Council's new asset management system.
- Developing Council's Domestic Wastewater Management Plan.

Council Plan activities

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

Key Performance Indicators

Key Performance Indicators	Target	Status	Comment on progress and outcomes
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>During the April to June quarter Council recycled 69% of all waste entering the Resource Recovery Centres (RRC), including metal items, batteries, mattresses, green waste and other streams. Of the waste collected at the kerbside, 37% by weight is recyclable and is taken for processing to Visy in Melbourne. The overall percentage of waste diverted to recycling instead of being land filled was 40.0% for the year which has exceeded the target of 35%.</p> <p>There has been a reduction of 15% in paper consumption for the period of 1 July 2015 to 30 June 2016 compared to the same period in 2014 and Council's target reduction of 5%.</p> <p>At the end of the year, Council's energy consumption had decreased at its top ten sites by 6.8% compared to the year 2014/15.</p>
Implementation of the Waste Management Strategy	Implementation of year two actions	Target achieved	Council has made significant progress with year two actions in the Waste and Resource Recovery Strategy being achieved or in progress including actions to improve and encourage recycling and the construction of the new leachate pond at the Alexandra Landfill. More details are provided in 3.1.4.
Revision of Environment Strategy	Adoption of Revised Environment Strategy	Target not achieved	Development of a new Environment Strategy commenced during the year but was not completed due to resource constraints. This work will continue into 2016/17.

Council Plan activities

Conservation of Resources Year 3 Actions

Council Plan Strategy	Year 3 Action	Status	Comment on progress and outcomes
Reduce our corporate footprint by using energy, water and materials more responsibly	Continue to improve Council's energy management planning and practices	Completed	Council continues to use a web based resource monitoring program to track consumption of electricity usage in Council buildings which has facilitated improvements in management practices and confirmed reductions in energy use following the implementation of energy improvement projects.
Encourage and recognise environmentally responsible behaviour and practices within Council and across the Murrindindi Shire community	Implement capital improvement works to Leachate Pond	Ongoing	Construction associated with improvement of the Leachate Pond commenced in late April 2016 although wet weather has delayed the expected completion until October 2016.
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	Completed	Over 500 street lights have been replaced with energy efficiency T5 lighting technology. Funds saved from the installation of energy efficient street lighting have been used to finance further lighting upgrades in Murchison Street Marysville. Council is also supporting the implementation of the Climate Smart Agriculture Project.
Implement the Waste Management Strategy that seeks to promote waste minimisation strategies and increase opportunities for recycling and reuse of resources	Implement the Waste Management Strategy that seeks to promote waste minimisation strategies and increase opportunities for recycling and reuse of resources	Completed	Council has taken a number of actions to promote recycling and minimise waste generation including: <ol style="list-style-type: none"> 1. Council has completed the refurbishment of the Taylor Bay bin compound which included the introduction of a recycling service for over 180 properties within Taylor Bay. 2. Public place recycling bins have been introduced in Alexandra, Yea, Kinglake, Thornton and Taggerty. 3. Council participated in the annual Cleanup Australia Day and the Garage Sale Trail events. 4. E-waste facilities have been re-activated at the Alexandra RRC following the negotiation of a collection arrangement with an e-waste recycler.

Council Plan activities

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

Key Performance Indicators

Key Performance Indicators	Target	Status	Comment on progress and outcomes
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	Council continued to implement annual actions associated with two key environmental restoration projects, being the Ribbons of Remnant Roadsides, and the Green Army. The projects have involved weed mapping, nest box construction and installation, weed control and removal, revegetation and raising community awareness in the importance of protecting remnant roadsides. This awareness campaign has included development of interpretative signage for participating roadsides.
Partnerships developed that deliver regionally funded projects across the Murrindindi Shire	Number of partnerships with other organisations developed	Target achieved	Council has worked in strong partnerships with the Goulburn Broken Catchment Management Authority, Upper Goulburn Landcare Network, individual Landcare Groups, St Mary's Primary School and Goulburn Broken Greenhouse Alliance.
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	Communication materials/activities were designed and distributed during the year thus achieving the target for the year. Examples include a Citizen Science Project called 'Birds in the Backyards' (in partnership with Landcare and Birdlife Australia), guest speaking at a range of forums such as Sustainable Small Landholder Forum (focusing on weed control and management) and support to the community for National Tree Day and Clean Up Australia Day events.

Council Plan activities

Protection of the Natural Environment Year 3 Actions

Council Plan Strategy	Year 3 Action	Status	Comment on progress and outcomes
Ensure Council operations are managed in a way that minimises impact on the natural environment	Implement Council's agreed native vegetation offset management actions	Completed	Council has continued implementation of the pre-2006 vegetation offsets program during the year. Expressions of Interest were received from local landholders to participate in the delivery of the Program.
Ensure Council operations are managed in a way that minimises impact on the natural environment	Implement Council's roadside weed control program	Completed	Council successfully implemented the Roadside Weed Control Program, which included the delivery of a weed mapping project.
Conserve high value sites on Council controlled land and roadside reserves by reducing environmental threats	Conserve high value sites on Council controlled land and roadside reserves by reducing environmental threats	Completed	Council successfully implemented a number of activities on Council controlled land. This included the delivery of Council's Roadside Weed Control Program, partnership and support to the Green Army (which included weed control, installation of nest boxes, and plantings on 18 reserves managed by Council) and delivery of the Ribbons of Remnant Roadsides Program. In addition, significant investment was made through the year on rehabilitation activities at UT Creek, a partnership between the GBCMA, Council, the Green Army and UGLN.
Encourage property development across the Shire that protects and enhances environmental values	Deliver environmental initiatives with agencies, schools, households and businesses	Completed	Officers presented a 'Stronger Together' presentation on partnerships between Council and Landcare at the Victorian Landcare Forum and the Autumn get together of the Home Creek Spring Creek Landcare meeting. In addition, Council also worked with St Marys Primary School on a joint revegetation project along UT Creek, Alexandra. Over 70 school children were involved in the project, which was also supported by the GBCMA and UGLN.
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 to identify and deliver environmental projects in the Murrindindi Shire and to advocate for relevant funding	Completed	Council has worked with the GBCMA, and key Landcare networks on a range of natural resource management activities such as Ribbons of Remnant Roadsides, Green Army, UT Creek Rehabilitation and Roadside Weed Control.

Council Plan activities

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

Key Performance Indicators	Target	Status	Comment on progress and outcomes
Adoption of environmentally sustainable design principles	The inclusion of environmentally sustainable features in new developments	Target achieved	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 statutory approval processes.
Implementation of ongoing changes to the Murrindindi Planning Scheme (MPS)	Implementation of year three actions	Target achieved	The Murrindindi Planning Scheme Local Planning Policy Framework (LPPF) was amended to reflect current strategic directions for land use and to implement a more usable and relevant Planning Scheme format. The amendment was gazetted in March 2016.
Strategic and settlement planning adequately addresses bushfire risk and strengthens community resilience	Implementation of Bushfire protection measures	Target achieved	Council has prepared schedules of the Bushfire Management Overlay (BMO) to support the proposed BMO mapping changes and the Local Bushfire Policy. The task of preparing and approving an amendment to implement the mapping and schedule changes rests with the Minister for Planning. Council's Bushfire Policy was gazetted and incorporated into the Local Planning Policy Framework of the Murrindindi Planning Scheme during this financial year.

Council Plan activities

Planning for Future Growth Year 3 Actions

Council Plan Strategy	Year 3 Action	Status	Comment on progress and outcomes
Improve the flexibility of the Murrindindi Planning Scheme's to respond to growth in a way that balances environmental values and improves the level of safety of our community	Improve the flexibility of the Murrindindi Planning Scheme's to respond to growth in a way that balances environmental values and improves the level of safety of our community	Completed	Eight Planning Scheme amendments were progressed during the year which supports the delivery of sustainable development in the Murrindindi Shire. Completion of the Yea Structure Plan and associated Planning Scheme Amendments, and the Eildon Structure Plan have ensured long term appropriate land use planning for these localities.
Ensure that Council's emergency management planning responds to community safety needs	Ensure that Council's emergency management planning responds to community safety needs	Completed	Comprehensive updates were completed for the fire, emergency and relief and recovery plans during the year. There have also been two new plans developed: the Yea Wetlands Fire Management Plan and a draft Flood Emergency Plan for the municipality. The Flood Plan was forwarded for review at the regional level with adoption scheduled for later in 2016. The Neighbourhood Safer Places Plan was also updated to reflect recent changes to signage and assessment requirements
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	Officers have worked with local businesses to assist the Goulburn Broken Greenhouse Alliance to design the Climate Smart Agriculture Project which is being developed by Deakin University. This is a comprehensive mapping tool which will enable local agriculture stakeholders to assess the potential climate change impacts on the regional landscape. The tool will assist with planning for crops and outputs identified as economically and environmentally sustainable in a changing landscape. This financial year Council has worked to improve its capacity to respond to the impacts of extreme weather events and longer term climate change through a range of actions. This includes amendments to the Murrindindi Planning Scheme, a review of the Local Planning Policy Framework and assisting the Goulburn Broken Greenhouse Alliance to deliver the Climate Smart Agriculture Project.
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 is now incorporated into the 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	Progress delayed	The Lower Hume High Country Region Landscape Assessment Study was exhibited and has now been placed on hold by the Department of Environment, Land, Water and Planning subject to further funding by the Department. This Study assesses land capability and capacity in the Murrindindi Shire which will inform opportunities to encourage more environmentally sustainable development in planning approvals.
Review and progress Council's implementation of the Urban Design Frameworks for settlements within the Shire	Advocate for funding assistance to deliver infrastructure improvements identified through relevant Council and regional strategies	Completed	Council prepared a grant priority assessment tool during the year to guide grant seeking to support the delivery of infrastructure projects contained within Council's adopted development plans. The Peri-Urban Group of Councils, of which Council is part, has advocated for funding to undertake an infrastructure needs strategy.

Council Plan activities

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

Key Performance Indicators

Key Performance Indicators	Target	Status	Comment on progress and outcomes
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	Significant reductions in the growth of the Infrastructure Renewal Gap were achieved during the year through application of additional grant funding and substantial cost savings. Savings were obtained by improved procurement processes and careful planning, design and supervision by Council officers.
Delivery of the capital works program	Deliver 95% of annual scheduled Capital Works projects	Target not achieved	Council completed 87% of the deliverable projects from the 2015/16 adopted budget. The remaining projects (13%) will be completed in the first quarter of the 2016/17 financial year.
Defined levels of service for maintenance activities	Implement levels of service for roads and drainage maintenance by June 2016	Target achieved	Defined levels of service in accordance with the Road Management Plan have been achieved

Asset Management Year 3 Actions

Council Plan Strategy	Year 3 Action	Status	Comment on progress and outcomes
Manage and renew our existing infrastructure assets in a responsible manner	Develop a policy to guide Council in its decisions to take on or divest to the community, management responsibility for community assets	Ongoing	The policy framework is under development but was not completed by the end of June 2016 and will continue in the 2016/17 year.
Manage and renew our existing infrastructure assets in a responsible manner	Develop policy that defines the basis by which Council will fund infrastructure renewal and seek government endorsement	Completed	Council developed and adopted an Asset Renewal Policy during the year to guide infrastructure renewal planning and decision making.
Manage and renew our existing infrastructure assets in a responsible manner	Continue to seek infrastructure grants to support future capital works, with a priority on infrastructure renewal	Completed	Grant funding was received through the Federal Government's Roads to Recovery program and has been assigned to both road and bridge renewal works. A draft Grants Policy was developed to guide future grant applications.
Engage with relevant communities on the development of community infrastructure and services	Assist community groups in the development of grant applications for infrastructure or services	Completed	The 2016 Grant Forum – Climb the Grants Ladder event was held in May 2016. This event was the second grant focused event to be organised in partnership with the community aimed to develop skills in grant preparation and management.
Develop and deliver services with consideration of the impacts on the natural environment that meet community needs	Support sustainable industries within the region through the provision of infrastructure advice and support	Completed	Council continues to assist sustainable development through the provision of advice on minimising impacts on native vegetation clearance and ensuring compliance with the current energy efficient ratings for buildings and waste water treatment systems.

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

REPORT OF OPERATIONS		
Service Performance Indicators <i>Service/indicator/measure</i>	Results 2016	Material Variations
Animal Management		
Service standard <i>Animals reclaimed</i> [Number of animals reclaimed / Number of animals collected] x100	65.45%	No material variations for 2015/16.
Service cost <i>Cost of animal management service</i> [Direct cost of the animal management service / Number of registered animals]	\$34.92	No material variations for 2015/16.
Health and safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	2.00	Council issued two dangerous dog declarations during 2015/16.
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	86.17%	No material variations for 2015/16.
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]	\$608.23	No material variations for 2015/16.
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%	No material variations for 2015/16.
Roads		
Satisfaction of use <i>Sealed local road requests</i> [Number of sealed local road requests / Kilometres of sealed local roads] x100	0.21	No material variations for 2015/16.
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	87.66%	No material variations for 2015/16.

REPORT OF OPERATIONS

Service Performance Indicators Service/indicator/measure	Results 2016	Material Variations
Roads (continued)		
<p>Service cost Cost of sealed local road reconstruction [Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]</p>	\$57.73	Council has revised its understanding of the costs to be included in this measurement for 2015/16. The cost detailed is in line with the average range for the small rural local government sector.
<p>Service Cost Cost of sealed local road resealing [Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]</p>	\$7.94	Council has revised its understanding of the costs to be included in this measurement for 2015/16. The cost detailed is in line with the average range for the small rural local government sector.
<p>Satisfaction Satisfaction with sealed local roads [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]</p>	51.00	No material variations for 2015/16.
Statutory Planning		
<p>Timeliness Time taken to decide planning applications [The median number of days between receipt of a planning application and a decision on the application]</p>	37.00	Council recorded significant efficiency improvements in 2015/16 in its statutory planning service due to a number of initiatives introduced.
<p>Service standard Planning applications decided within 60 days [Number of planning application decisions made within 60 days / Number of planning application decisions made] x100</p>	86.00%	Council recorded significant efficiency improvements in 2015/16 in its statutory planning service due to a number of initiatives introduced.
<p>Service cost Cost of statutory planning service [Direct cost of the statutory planning service / Number of planning applications received]</p>	\$1,758.04	No material variations for 2015/16.
<p>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</p>	100.00%	No material variations for 2015/16.

REPORT OF OPERATIONS

Service Performance Indicators Service/indicator/measure	Results 2016	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]	\$73.29	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. 2015/16 indicators are now a more reliable reflection on true costs for these areas.
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]	\$64.18	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. 2015/16 indicators are now a more reliable reflection on true costs for these areas.
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	37.00%	No material variations for 2015/16.

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

- The purchase of REMPLAN (an economic modelling tool) provided improved access to economic and demographic information about the Murrindindi Shire for local businesses to support business growth and development.
- Following strong advocacy by Council the Federal Government announced funding to improve mobile phone infrastructure in eight locations across Murrindindi Shire.
- Council was successful in receiving grant funds to support the further development of the Yea Saleyards and additional land adjacent to the Saleyards was acquired to enable further expansion of the facility.
- The Murrindindi Investment Prospectus was completed to promote investment opportunities within the Shire, with a dedicated website going live in June.
- To support the expansion of residential and business development Council adopted the Eildon Structure Plan and substantially progressed the incorporation of the recently adopted Yea Structure Plan into the Murrindindi Panning Scheme.
- Council successfully hosted the Rural Councils Victoria Summit in Marysville with the support of local businesses and community groups, with visiting delegates acknowledging the attraction of the Shire.

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

- Attracting new residents, building investor confidence and growing employment opportunities at a time of widespread fiscal restraint
- Identifying and implementing the mechanisms to promote the shire and its attractions that provide the best value for money given Council's limited resources.
- Advocating for infrastructure and service provision that supports business retention and development within the Shire.

Looking forward

- Continuing to advocate and support the provision of education and training opportunities within the Murrindindi Shire.
- Completing the project to expand the Yea Saleyards.
- Assessing proposals for appropriate seed funding to support the establishment of new and expanded businesses or associated development in the Shire.
- Continuing to assist Murrindindi Inc. to deliver the Better Business program of business events including the Business Excellence Awards.
- Continuing to support the partnership with Goulburn River Valley Tourism Limited.

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

Key Performance Indicators	Target	Status	Comment on progress and outcomes
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	A range of training/workforce development initiatives identified in the 2013 Murrindindi Training Needs Analysis were delivered in 2015-2016, State government funding being secured as part of the Doing Business Better project to enable a survey of business training needs to be completed and a calendar of workshops to be developed. Information outlining business training opportunities (such as those offered via the state government's Small Business Festival workshop series) was collated and distributed to businesses on a weekly basis. A series of hosted forums involving key local education and training providers and stakeholders led to improved collaboration and a more focussed effort in the sector.

Workforce Development Year 3 Actions

Council Plan Strategy	Year 3 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	Advocate for and support initiatives to improve post-secondary education opportunities in the Shire, including development of the Murrindindi Training Institute	Completed	Strong support for the Central Ranges Local Learning and Employment Network (CRLLEN) was provided throughout the year, both at the Board level and at the local level. Council, the CRLLEN and Alexandra CEACA formed a working group to re-direct effort relating to local education and training opportunities (see item 4.1.2.1 below). A highlight of the year was the recognition via the CRLLEN's Christine Cox Trailblazer Award, of both the Murrindindi Youth Partnership and Charlie Bisset, CEO of Alexandra CEACA for their efforts in advancing local education and training opportunities and supporting/developing young people.
Support initiatives and activities of the Murrindindi Strategic Skills Training and Employment Network	Work as part of the Murrindindi Strategic Skills Training and Employment Network to implement the recommendations of the Murrindindi Training Needs Analysis Report 2013	Completed	Following a year of transition, and the Local Strategic Skills, Training and Employment Network (LSSTEN) being disbanded, local stakeholders including the CRLLEN, Alexandra CEACA/Murrindindi Training Institute (MTI), Murrindindi Employers Training (MET) and Murrindindi Incorporated created a new partnership. Strong support has been provided for new post secondary courses offered via CEACA and new business training opportunities delivered by Murrindindi Incorporated.
Work closely with the Central Ranges Local Learning and Employment Network (CRLLEN) to improve local workforce development opportunities	Advocate to Federal and State Governments for ongoing funding to support the Central Ranges Local Learning and Employment Network (CRLLEN) or similar organisations in providing local training and employment programs	Completed	The aims of the CRLLEN and local education and training providers were well supported throughout the year with healthy involvement on the CRLLEN Board from Murrindindi representatives, targeted advocacy to members of parliament and strong support for new training opportunities. The emergence of vibrant local partnerships, now including the Shire's peak business body (Murrindindi Incorporated - see 4.1.2.1 above) created the foundation for a range of new training and development opportunities to be identified and delivered.

Council Plan activities

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

Key Performance Indicators

Key Performance Indicators	Target	Status	Comment on progress and outcomes
Number of actions implemented from the Council's Economic Development Strategy	4 initiatives implemented per annum	Target achieved	Numerous activities emanating from Council's Economic Development Strategy were delivered in the reporting period. These included the Lake Eildon Recreational Boating Facilities Infrastructure Plan being completed, and subsequently used to support a joint funding application for improved houseboat infrastructure. Significant earth works, drainage and road making activity on the land zoned for industrial purposes, adjacent to the DELWP offices in Alexandra were completed. The purchase of REMPLAN (an economic modelling tool) provided improved access to economic information for local businesses.

Improving Business Infrastructure Year 3 Actions

Council Plan Strategy	Year 3 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 and encourage additional infrastructure to address the blackspots in Murrindindi Shire	Completed	Following strong advocacy and the signing of a Memorandum of Understanding between Council and Telstra in early 2015, the Federal Government announced Round 1 funding to improve mobile phone infrastructure in eight locations across Murrindindi Shire. Subsequently, Council has worked with Telstra (as the successful bidder in the Federal Government's mobile blackspot improvement program) to implement these improvements.
Support further growth and development of the Yea Saleyards subject to the availability of grant and reserve funds	Implement the business case for the potential lease of additional land to support further enhancement of facilities at the Yea Saleyards for Council's consideration	Completed	Council acquired neighbouring land in June 2016 which will enable further expansion of the facility. Council was also successful in receiving grant funds to support the further development of the Saleyards.
Facilitate opportunities to increase utilisation of available industrial land in the Shire	Enhance the provision of data access to support existing and potential future business opportunities	Completed	The economic modelling tool, REMPLAN, was introduced, staff were trained in its operation and it has been used to provide data to support development opportunities. Further data was provided to state and federal governments, supporting the case to improve the priority mobile phone blackspots across Murrindindi that were identified in Round 2 of the Federal Government's Mobile Phone Black Spot Improvements program. Via the National Broadband Network (NBN) business and community information sessions, hosted by Council, a wide variety of data and context relating to the NBN rollout, was provided to both residents and business operators. Through the Climate Smart Agriculture Development (CSAD) project an online tool to improve decision making in the face of climate change was under development and plans for a go live date in November 2016 was endorsed by the steering committee.

Council Plan activities

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

Key Performance Indicators	Target	Status	Comment on progress and outcomes
Value of new commercial and industrial building developments	3% increase per annum	Target achieved	The total value of commercial and industrial building permits issued during 2015/16 came to \$6,787,173. This reflects an increase this year of 105%, compared to the \$3,312,589 achieved in 2014/15.
Number of investment attraction events/initiatives delivered	2 per annum	Target achieved	Numerous investment attraction initiatives were delivered in 2015 - 2016. A forum for a group of local business people and landowners to canvas their thoughts and ideas relating to investment impediments and opportunities was delivered in early October. A second investment engagement opportunity was hosted by Council and the Alexandra Traders and Tourism Association in late October on a beef cattle property in Thornton with over 100 potential investors from a Melbourne based Chinese investment group (Invest Australia Business Association Inc) attended. The event included a presentation, on farm tours and a mini local produce and industry expo. The Murrindindi Investment Prospectus was also completed.

Investment Attraction Year 3 Actions

Council Plan Strategy	Year 3 Action	Status	Comment on progress and outcomes
Implement a business attraction and investment campaign	Investigate the creation of seed funding to support the establishment of new businesses in the Shire	Completed	The seed funding pool has been established and work commenced to develop guidelines for the allocation of funds from the pool.
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	The Murrindindi Investment Prospectus, was completed with the website going live in June. Potential for investment in the Aged Care sector featured prominently. Plans for a soft launch of the Prospectus in July were finalised. A facilitated workshop involving local aged care providers, hospitals and Council's Community Services Department led to a series of further conversations and collaborative planning efforts. Interest in two specific locations in the Shire for the development of aged care facilities was evident as part of pre-application discussions.
Identify and promote opportunities for growth in housing and business development in and around the Shire's main townships	Promote opportunities to expand residential and business investment in and around the Shire's major townships including associated Open Days	Completed	The Panel Report for the incorporation of the Yea Structure Plan into the Planning Scheme was received which recommended its adoption with no changes. This was adopted by Council in April and has been sent to the Minister for approval. Eildon Structure Plan was adopted by Council in May. An amendment will be prepared in the next financial year.

Council Plan activities

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

Key Performance Indicators

Key Performance Indicators	Target	Status	Comment on progress and outcomes
Tourism visitation to the Shire	3% per annum increase in day trips	Measure not available	The Goulburn River Valley Tourism Board made a decision early in the reporting period, not to renew the contract with Data Insights to provide visitation statistics for the region and each municipality. The Board also undertook to enter into discussions with Roy Morgan Research to ascertain if there is another viable and cost effective mechanism to collect visitation statistics on a region wide and individual shire basis. The Board had not reached a decision on a way forward regarding visitation statistics at the end of the financial year and therefore these statistics were not available for the full twelve month period.
Tourism visitation to the Shire	3% per annum increase in overnight stays	Measure not available	The Goulburn River Valley Tourism Board made a decision early in the reporting period, not to renew the contract with Data Insights to provide visitation statistics for the region and each municipality. The Board also undertook to enter into discussions with Roy Morgan Research to ascertain if there is another viable and cost effective mechanism to collect visitation statistics on a region wide and individual shire basis. The Board had not reached a decision on a way forward regarding visitation statistics at the end of the financial year and therefore these statistics were not available for the full twelve month period.
Visitation to Visitor Information Centres	3% per annum increase in visits	Target achieved	For the financial year 2015 - 2016, 93,938 people visited the four visitor information centres across the shire. This indicated an increase of 12.4% over the previous twelve month period.

Council Plan activities

Tourism Development Year 3 Actions

Council Plan Strategy	Year 3 Action	Status	Comment on progress and outcomes
In partnership with GRVT actively encourage investment in, and support development of new tourism product, attractions and accommodation options in the Shire	Support the development of a Master Plan for the Alexandra Railway Precinct	Completed	The project to develop the Master Plan for the Alexandra Railway Precinct was completed during the year. The project involved consultation with stakeholder groups which occupy the site and with the broader community to identify potential future opportunities to enhance the recreational and tourism potential of the site.
Maintain strong relationships with government departments and agencies to promote enhanced tourism opportunities and infrastructure in the Shire such as the Giant Trees Trail and Toolangi Zip Line	In partnership with other agencies, undertake a feasibility study for the Giant Trees Trail linking all our State and National Parks	Ongoing	A draft project scope for a feasibility study was prepared during the year but has yet to be finalised. Discussions with stakeholders including Parks Victoria and the Department of Environment, Land, Water and Planning were held to encourage support for the concept and to assist in developing an appropriate funding model for the project.
Assess the feasibility of extending the Great Victorian Rail Trail from Alexandra to Eildon	Progress the first stage of the trail link between Alexandra and Eildon	Completed	Council completed the detailed design for the trail extension and is undertaking a full cultural heritage survey. The connection from the trail head at Alexandra to the township (i.e. the first stage) was constructed.
Increase the economic, social and cultural benefits to the Shire of a growing tourism sector	Support recognition of business excellence through the establishment of the Business Excellence Awards with Murrindindi Inc.	Completed	As part of the Doing Business Better (DBB) program, a local provider was contracted to re-introduce and deliver the Murrindindi Business Awards. A steering committee was formed to support/guide the DBB initiative and plans for a launch of the awards concept to the business community in late 2016 with delivery of the awards in 2017 and 2018 were endorsed. Council successfully hosted the Rural Councils Victoria Summit in Marysville with the support of local businesses and community groups, with visiting delegates from across the State acknowledging the attraction of the Shire.

Services related to this theme

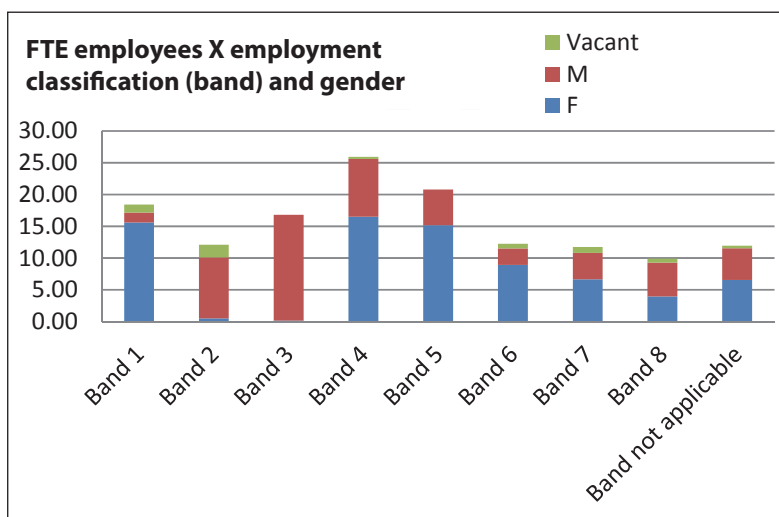
- Economic Development
- Tourism
- Event Coordination
- Yea Saleyards

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	15.6	1.6	1.3	18.5
Band 2	0.5	9.1	2.0	11.6
Band 3	0.2	15.7		15.9
Band 4	16.5	11.1	0.3	27.9
Band 5	15.9	5.6		21.5
Band 6	8.9	2.6	0.8	12.3
Band 7	6.6	4.2	0.9	11.7
Band 8	4.0	5.3	0.6	10.0
Band not applicable	6.5	5.0	0.4	11.9
Total	74.7	60.2	6.3	141.2

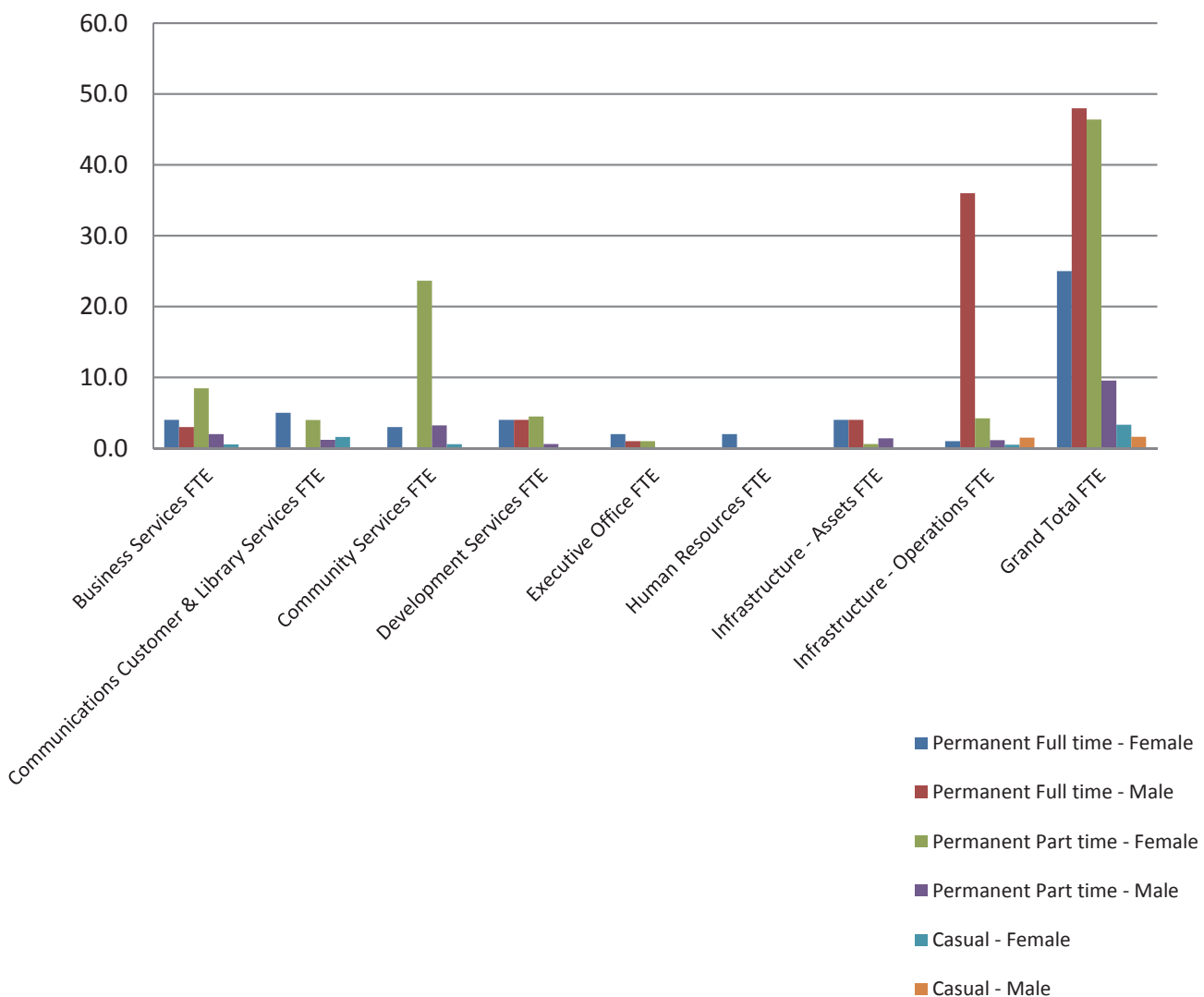


A summary of the number of Full Time Equivalent (FTE) staff categorised by organisational structure, employment type and gender is set out below:

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	4.0	5.0	3.0	4.0	3.0	2.0	3.0	1.0	25.0
Perm FT - Male	3.0			4.0	1.0		4.0	36.0	48.0
Perm FT - Vacant								2.0	2.0
Perm PT - Female	7.8	2.8	25.6	4.2	1.0		0.6	4.3	46.3
Perm PT - Male	2.0	1.2	4.5	0.6			1.4	1.2	10.9
Perm PT - Vacant	0.4	0.7	2.3	0.6				0.2	4.2
Casual - Female	0.6	1.6	0.6					0.5	3.1
Casual - Male		0.1						1.5	1.6
Total	17.8	11.4	36.0	13.3	5.0	2.0	9.0	46.7	141.2

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

FTE Employees x gender x department*



*This table excludes vacant positions

Corporate Development – Our Organisation

Health and safety of our people

Our employees are our most valuable asset because they are essential to the delivery of our services.

Health and Wellbeing

Council monitors and promotes good health and well-being as one of the foundations of a productive workplace. Employees are provided with a range of regular information, training and other programs to support and encourage them to take responsibility for good health and well-being from an organisational and personal perspective. Some actions this year included women's health promotion, men's health promotion, exercise promotion including a "Walk the Block" activity, a pedometer challenge, swimming and yoga sessions (in personal time) and nutritional recipes and other health information delivered in the staff newsletter. Training included driver safety awareness and emergency evacuation, First Aid and CPR updates. Other activities included the influenza and Hepatitis B immunisation programs and a skin cancer check offered to at-risk staff.

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

Occupational Health and Safety (OHS)

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

Council has an Occupational Health and Safety Committee made up of four designated workgroup representatives and four management representatives. These Committee members are supported by deputies to ensure representation and continuity across the organisation. Additional members include four staff with professional responsibilities in aspects of risk management. The Committee aims to ensure that all identified hazards and risks are acknowledged, communicated and resolved promptly. During this year an updated health and safety policy was adopted and new committee members were trained.

At the start of September Return to Work/Workcover coordination was transferred to the Human Resource Unit to provide greater synergy with the management of workplace health and safety. Consistent with last year the time lost due to injury was low across the year.

Risk Management

The risk management function was transferred from the Human Resource Unit to the Business Services Department during the year to drive a more strategic approach to enterprise risk management.

As part of this change, Council adopted a new Enterprise Risk Management Policy and Guidelines to provide an improved framework for identifying, managing and monitoring strategic and operational risks. As part of this work Council's strategic risk register was better aligned to the achievement of Council's strategic and business objectives, which ensures Council meets best practice risk management standards.

A number of desk top tests of Council's new Business Continuity Plan, using business interruption scenarios, were conducted and as a result the Plan continues to be refined to ensure Council is prepared in the event of any major business interruption.

Training and Development

Council continues to focus on providing a comprehensive training and development program to ensure that employees are provided with skills and knowledge to deliver their responsibilities, meet compliance requirements and to support their career development. Council ran a procurement process to select a new provider to deliver online learning to staff and supplement face to face learning.

In 2015-16 we again improved participation, training delivery and training needs' assessment. Over the year staff participated in 633 staff training days. The delivery of onsite training included (in addition to those listed under OHS);

- Asbestos Awareness
- Customer Service
- Dealing with Difficult Customers
- Support and Contact Officer
- Fraud Awareness
- Business Writing Skills
- Report Writing
- Project Management
- Driver Safety – online
- Induction to Local Government
- Warden and Fire Extinguisher
- Return to Work Coordinator
- Effective Meetings
- Caretaker Period
- Mental Health 1st Aid
- Report Writing
- Drum Muster
- Presenting With Impact
- Anaphylaxis Training
- Snake & Spider Awareness
- Various Leadership Development Opportunities
- Providing Emergency Relief
- Operate As Part of an Emergency Control Organisation
- Diversity Training
- Public Investigators Course
- Influencing and Negotiation Skills
- Situational Awareness and Aggression Management.
- Managing Difficult Conversations
- Effective Meetings
- Tree Pruning

Training and Development (continued)

Training opportunities were also made available offsite and through externally arranged workshops including;

- Local Government Management Challenge
- Emerging Leaders Program
- Executive Leaders Workshop
- Certificate IV in Frontline Management
- Federal Blackspot Project Development
- Caretaker Period Workshop
- Working in Local Government
- Awareness of Children's Needs In An Emergency

Council also continued an informal program of "Learning Lunchtimes" where staff volunteer and share their knowledge on diverse topics.

Staff Satisfaction Survey

The staff satisfaction survey was conducted in October 2015. The results showed an improvement on every indicator since the last survey in 2013. In particular strong improvements were seen in the way staff feel they are managed and able to deliver their roles. Some areas where staff feel there is still room to improve include access to 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/Recognition

Activities to recognise employee excellence and effort included:

- Regular peer-nominated recognition awards for employees, and
- Delivery of annual awards by the Mayor and Chief Executive Officer to recognise services delivered in line with organisational values.

Equal Employment Opportunity (EEO)

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

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

Council adopted an updated *Equal Employment Opportunity (EEO)* Policy and procedures which apply to Council employees and contractors.

The Access and Inclusion Committee continued to operate well with representation from Council and key partners in the community working to improve access to Council services and access to employment. Some of the initiatives in access and EEO included conducting a gender audit and statement of gender inclusion, diversity training, improving demographic data available to support equity and service delivery, facilitating work experience and vocational placements, and employing a trainee to support youth access to employment.

Staff Code of Conduct

The Murrindindi Shire Council Code of Conduct continued to guide conduct and behaviours for working relationships between employees, by ensuring a shared understanding of how to work together to create an enjoyable, satisfying and productive workplace.

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

All new employees were made aware of their obligations under the Code of Conduct as part of their induction. Additional training on fraud awareness and protected disclosures was conducted for all employees, as a refresher in line with best practice.

The Code of Conduct will be undergoing a review in the next year.

Internal Communications

Council redeveloped its staff intranet to improve internal communication organization 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.

The staff newsletter *The Murricle* was published fortnightly and contained articles on professional, informative or social topics. A number of departments also produced service specific newsletters for their staff or customers.

Other forms of internal communication include general staff meetings, departmental meetings and Council Depot meetings. As a result of the leadership program, managers and supervisors have increased one-on-one and regular team meetings to assist in effective communication and engagement across the organisation.

Corporate Development – Our Council

Integrated Planning Framework

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

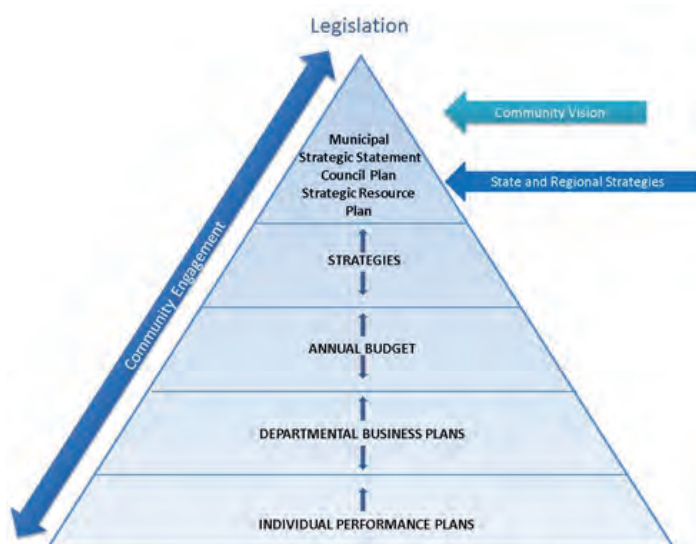


Figure 2: Integrated Planning Framework

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

The Council then measures and monitors its performance and reports both internally and to its community as required.

Council receives formal reports on a quarterly basis detailing progress against the Council Plan, the Annual Budget, the Capital Works Program and the Development Services Program.

The role of local government

Local Government is governed by councillors who live within the municipality to which they are elected and are democratically elected by their local communities. As such it is the 'grass roots' level of government.

Section 3D of the *Local Government Act 1989* states that the role of a council includes:

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

Councillor Code of Conduct

All Councils in Victoria are required by the *Local Government Act 1989* (s76C) to develop and regularly review a Councillor Code of Conduct. Within one month of amendments to a Councillor Code of Conduct being approved all Councillors must declare in writing, witnessed by the Chief Executive Officer that they will abide by the Councillor Code of Conduct.

The Councillor Code of Conduct was reviewed and adopted by Murrindindi Shire Councillors on 27 April 2016. 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.

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 councilors is set for each category. Murrindindi Shire Council is a level one council.

For 2015-2016, the allowance paid to the Mayor of Murrindindi Shire Council was \$57,812 plus an executive-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 2015-16 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.

For further detail regarding allowances and expense entitlements please refer to the *Councillor Reimbursement Policy* adopted on 22 January 2014.

Council elections

A general election was held on 27 October 2012 and seven councillors were elected for a four year term. The Councillor for King Parrot Ward Cris Ruhr resigned from Council in June 2015 and the Councillor for Eildon Ward Bernie Magner resigned in August 2015, both due to conflicting work commitments. A by-election to fill these positions was held on 29 August 2015. Councillors Eric Lording (King Parrot) and Chris Healy (Eildon) were elected to the two vacancies for the remainder of the four year term.

Councillor Andrew Derwent representing the Kinglake Ward resigned in April 2016 due to conflicting work commitments. A by-election for this position was not required to be held as the resignation fell within the statutory time period prior to the next general election, which will be held on 22 October 2016.

Each year the seven councillors elect the Mayor and Deputy Mayor.

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 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 are generally held in the Alexandra Council Chamber except for four meetings annually which are held in locations across the Shire. A schedule of council meetings is available at any Council office or on our web site. Community members are encouraged to attend and participate in Council meetings.

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

A 'Public Participation' session is held at the beginning of each Council meeting to allow members of the public to address Council or have a question 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, and nominate Council's representatives for a range of committees. This meeting was held on 28 October 2015.

Council meeting attendances for 2015-2016

	Ordinary Council Meetings		Special Meetings	
	Eligible to Attend	Attended	Eligible to Attend	Attended
Cr M Rae, Mayor	12	12	5	5
Cr J Walsh	12	11	5	5
Cr C Challen	12	11	5	4
Cr J Kennedy	12	12	5	5
Cr B Magner	2	1	0	0
Cr A Derwent	10	10	4	3
Cr C Healy	10	10	4	4
Cr E Lording	10	10	4	3

Special Committees of Council

In accordance with the *Local Government Act 1989*, Council may establish Special Committees with delegated powers to inform and act on behalf of Council. Murrindindi Shire Council has 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 maintain a close relationship with staff managing issues associated with their portfolio and to report to Council meetings on points of interest that fall under that portfolio.

Councillor	Portfolio
Cr 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
Cr Andrew Derwent	Community Services
Cr Eric Lording	Infrastructure and Waste

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 resolved to adopt the following Council Policies in 2015-16:

• **Asset Disposal Policy - 22 July 2015**

The purpose of this policy is to provide a systematic, transparent and accountable method for the disposal of Council owned assets in accordance with Council Policies and all appropriate legislation and accounting standards.

• **Gaming Policy –28 October 2015**

The purpose of this policy is to provide an adequate strategic background to justify policy changes for gaming in the Murrindindi Planning Scheme.

• **Service Provision on Code Red Days - 25 November 2015**

The purpose of this policy is to outline how Council will respond to a Fire Danger Rating of Code Red in terms of its service provision to the community

• **Procurement Policy- 24 February 2016**

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 rate payers how value for money is achieved

• **Election Caretaker Policy - 23 March 2016**

The Local Government Act 1989 ('the Act') provides that during the 'election period' certain prohibitions apply to the general functions and powers of Council. It is during this time that Council enters the caretaker period. The 'election period' is defined by the Act as starting on the last day for nominations and ending at 6pm on the Election Day. The last day for nominations is the day that is 32 days before the Election Day. The purpose of this policy is to guide Council's actions during Caretaker Period.

• **Councillor Code of Conduct –27 April 2016**

The purpose of the Code is to outline the responsibilities and behaviours that are to be observed by councillors in keeping good faith and trust with fellow councillors, staff and the public.

• **Equal Employment Opportunity - 25 May 2016**

The purpose of this policy is to ensure Murrindindi Shire Council is free of discrimination and to optimise the benefits of a diverse workforce reflective of the communities that Council works with. Council is committed to a work environment that is safe, inclusive, respectful and free of discrimination, sexual harassment, vilification and any other behaviour that inhibits or prevents employees from performing their best at work.

• **Infrastructure Asset Renewal - 22 June 2016**

This policy sets out Council's commitment to undertake asset renewal in a manner that provides a Level of Service (LoS) appropriate to individual communities.

• **Enterprise Risk Management - 22 June 2016**

The purpose of this policy is to promote an integrated, holistic and common approach to risk management across Council so that the risks affecting the achievement of Council objectives are identified, assessed and treated to an acceptable level.

• **Occupational Health and Safety - 22 June 2016**

This policy aims to ensure the health, safety and well-being of employees, councillors, contractors, volunteers and the general public by providing a safe workplace, eliminating hazards that could result in injury or disease and implementing initiatives to improve employee welfare.

Policy and strategy reviews (continued)

Organisational Policies

The following policies were approved at an organisational level by the Murrindindi Shire Council Executive Management Team in 2015-2016:

- **Employee Code Red and Fire Danger Days Policy- 30 October 2015**

This policy provides an overview for employees on the specific arrangements for "Code Red" and other fire danger rated days and outlines the employment restrictions during such periods.

This policy supports the public Council policy "Service Provision on Code Red Days" which indicates that we will operate with altered or reduced service levels when a Code Red Day is declared; and that the CEO may implement these provisions on other declared fire danger days.

- **Identification Cards - 8 February 2016**

The ID Card Policy is in place to provide direction to Council Officers as to the purpose that ID cards serve, the types of cards issued and to whom they are issued.

- **Recruitment Policy – 8 March 2016**

This policy enables a fair, competitive, transparent, legally compliant recruitment, selection and appointment process. This is to facilitate Council's objective to attract, select and appoint employees of the highest calibre whose skills, abilities and knowledge fit the obligations and values required of the role in which they are to be employed.

- **Security Checks – 8 March 2016**

The policy provides guidelines to ensure that anyone engaged or employed by Council is appropriately screened by formal pre-employment/engagement checks before they start and these are monitored and maintained as long as they remain employed or engaged as representatives of Council.

The policy also provides guidance to ensure that the principles of transparency, procedural fairness, natural justice, privacy and confidentiality of all parties are respected.

- **Performance Management and Discipline – 8 March 2016**

Council is committed to the provision of a fair, safe, productive and supportive working environment. This policy provides the framework for a progressive disciplinary approach for use in the event of any breach of rules, directives, regulations, instructions, policies or procedures, or when employee performance, conduct or behaviour is unacceptable.

- **Councillor Development and Conference Policy – 6 April 2016**

The purpose of this policy is to establish principles that underpin the professional development for Councillors:

- Murrindindi Shire Council is committed to achieving best practice governance by supporting Councillors in skill development and knowledge of issues effecting the local government sector.
- Murrindindi Shire Council is committed to provide Councillors with information on strategic issues on a group or individual basis.
- Murrindindi Shire Council is committed to assist Councillors improve skills necessary to perform their role and function as Councillors on a group or individual basis.

- **Study Assistance Policy – 25 May 2016**

The purpose of this policy is to outline the level of assistance available to employees undertaking an external course of study that is relevant to their professional development and potential career opportunities within Council.

Strategies and Plans

During 2015-2016 Council adopted one strategy and endorsed three plans.

- Lake Eildon Recreational Boating Facilities Improvement Plan – 22 July 2015
- Municipal Relief and Recovery Plan – 28 October 2015
- Municipal Fire Management Plan – 25 November 2015
- Murrindindi Regional Events Strategy 2015-2020 – 24 February 2016

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 an effective conduit for communications between the external auditor, internal auditor, management and Council.

As of 30 June 2016, the Internal Audit Advisory Committee comprised the following members:

- Ian McKaskill (Chair)
- Richard Rogerson
- Michele Sheward
- Cr Margaret Rae (non-voting)
- Cr Chris Healy
- Cr John Kennedy

Robert Richards term on the Committee concluded in December 2015 after 3 years of service.

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 2015-2016 financial year, providing invaluable advice to Council on a number of important issues including reviews of Council's Business Continuity and Disaster Recovery Planning, Strategic Risk Framework and the introduction of the Rate Capping and Variation Framework.

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

Internal Audits

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

During 2015-16 Council's Internal Auditors conducted the following components of the audit program:

- **Review of Statutory Permit Management – presented September 2015**
- **Review of Human Resource Management – presented September 2015**
- **Review of Rates Management – presented December 2015**
- **Review of Depot Operations – presented May 2016**

External Audits

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

Property Risk Management Audit

Council achieved a grading of 79% in 2015-16 for the JMAPP Risk Management Audit, an improvement from 72% from the audit conducted in 2014-15.

Jardine Lloyd Thompson (JLT) conducted the Public and Professional Liability audit.

Privacy

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

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

Freedom of Information

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

Applications under the *Freedom of Information Act 1982* must be made in writing and a fee of \$27.90 (as of 1 July 2016) must be paid. Information regarding Council's FOI application process can be found on Council's website or available from any of the Council Offices.

Community members are encouraged to contact Council's FOI Officer prior to lodging an application to receive advice about what can be disclosed under FOI provisions.

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

Freedom of Information	2015-2016
Access granted in full	3
Access granted in part	1
Access denied in full	Nil
Withdrawn	1
Not proceeded with	2
Act does not apply	Nil
Not processed	Nil
No documents	2
Outside the Act	Nil
Not yet finalised	2

Protected Disclosures

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

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

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

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

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

Alternative Contacts

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

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

2015-16 Disclosures	
Protected Disclosures Topic	Report 2015-2016
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

Section 11 of the *Local Government (General) Regulations 2004* requires Council to have certain documents available for public inspection. Documents and registers available for inspection in accordance with these Regulations and the *Local Government Act 1989* 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 election.
- The Council's adopted Code of Conduct
- All Local Laws adopted by the Council.
- Copies of the Council Plan, Strategic Resource Plan, Annual 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 register of authorised officers appointed under Section 224 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 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 3 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.

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 2015–16 included:

- Drafting of a Development Plan for the future development of the Yea Lawn Cemetery
- Community engagement undertaken to inform the Development Plan

Looking Forward

- Finalisation of the Cemetery Development Plan
- Seeking funding to implement the Development Plan
- Development of a Conservation Management Plan for the Pioneer Cemetery

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: 3 August 2016
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: 3 August 2016
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 and Channel, Bridges, Urban Drainage, Community Buildings, Plant and 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 February 2016
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 engaged as of 1 January 2015 for 4 year term.
16. Performance reporting framework (a set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 131 of the Act)	Current framework enacted as of 1 July 2014.
17. Council Plan reporting (report reviewing the performance of the Council against the Council Plan, including the results in relation to the strategic indicators, for the first six months of the financial year)	Council reports its performance against the Council Plan on a quarterly basis at the November, February, April and August meetings.
18. Financial reporting (quarterly statements to Council under section 138 of the Act comparing budgeted revenue and expenditure with actual revenue and expenditure)	Council reports its financial performance against the budget on a quarterly basis at the November, February, April and September meetings.
19. Risk reporting (six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies)	Reported to Council's Audit Committee in December 2015 and May 2016.
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 2014/15 adopted in accordance with the Act: 23 September 2015
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: 27 April 2016
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: 27 April 2016
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 Abbey

Margaret Abbey
Chief Executive Officer
Dated: 23 September 2015

Margaret Rae

Margaret Rae
Mayor
Dated: 23 September 2015

Donations and Grants provided by Council 2015-2016

RECEIVED BY	AMOUNT
Alexandra Brass Band	\$1,400.00
Alexandra Combined Probus Club	\$395.00
Alexandra Community Christmas Tree	\$2,000.00
Alexandra Community Shed	\$3,000.00
Alexandra District Health	\$4,000.00
Alexandra Information Centre	\$3,575.05
Alexandra Pre School	\$2,250.00
Alexandra Secondary College Bandemonium	\$3,000.00
Alexandra Timber Tramway	\$300.00
Buxton History Group	\$750.00
Eildon Action Inc	\$2,500.00
Eildon Community Leisure Centre	\$1,000.00
Eildon Information Centre	\$1,145.45
Eildon Pre School	\$4,700.00
Flowerdale Sports Club	\$425.00
Glenburn Hall & Progress Association	\$325.00
Kinglake Ranges Neighbourhood House	\$450.00
Kinglake Senior Citizens	\$2,922.00
Lions Club of Eildon	\$425.00
Lions Club of Marysville	\$750.00
Macedonian Orthodox Community	\$1,800.00
Marysville Triangle Business & Tourism	\$4,200.00
Murrindindi Cycle Club	\$350.00
Murrindindi-Woodbourne Community Hub	\$250.00
Outdoor Education Group	\$3,000.00
Rotary Club Alexandra	\$5,000.00
Rotary Club of Kinglake	\$2,000.00
Rotary Club Yea	\$2,450.00
State Emergency Services Alexandra	\$19,280.00
State Emergency Services Kinglake	\$19,280.00
State Emergency Services Marysville	\$19,280.00
Strath Creek Reserve and Hall	\$375.00
Triangle Arts Group	\$4,000.00
Yea Community House	\$6,990.00
Yea Information Centre	\$4,726.47
Total	<u>\$128,293.97</u>

Organisation memberships for 2015-2016

ORGANISATION	MEMBERSHIP FEE
Local Government Professionals	\$1,145.45
Australian Local Government Job Directory	\$850.00
Municipal Association Of Victoria	\$25,354.00
Family Day Care Australia	\$190.73
Victorian Employers Chamber of Commerce	\$3,000.00
Timber Towns Victoria	\$3,000.00
Public Library Victoria Network Inc	\$1,604.00
Institute Public Works	\$1,200.00
National Saleyards	\$490.00
Children's Book Council	\$80.00
Victorian Local Governance Association	\$4,450.00
Goulburn Valley Regional Waste Management Group	\$4,299.00
Meals Victoria	\$80.00
Victorian Maternal & Child Health Coordinators Group	\$75.00
National In-Home Childcare Association	\$200.00
National Timber Councils Association	\$2,500.00
TOTAL	<u>\$48,518.18</u>

Local Government Indicators 2015-2016

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

Category	Description	2015-16	2014-15
Overall performance	Community satisfaction rating for overall performance generally of the Council	49	52
Advocacy	Community Satisfaction rating for Council's lobbying on behalf of the community	44	49
Community Consultation	Community satisfaction rating for Council's community consultation and engagement.	45	50
All rates	Average rates and charges per assessment	\$1,904.75	\$1,775.17
Residential rates	Average residential rates and charges per assessment	\$1,748.27	\$1,593.56
Operating costs	Average operating expenditure per assessment	\$3,237.78	\$3,192.12
Capital expenditure	Average capital expenditure per assessment	\$841.71	\$655.83
Infrastructure	Renewal undertaken as a percentage of adopted budget	85.70%	65.46%
	Total capital works completed as a percentage of adopted budget**	107.54%	65.05%
Operating result	Operating result per assessment	\$68.49	\$521.77

** It should be noted that the 107.54% of capital works completed for 2015-16 is when measured against Council's original budget, which does not include the carried forward amounts from 2014-15, nor does it include the new grant funded projects that were approved during 2015-16. When measured against the revised budget, Council's total capital works completed is 66.78%.

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

Introduction to the Financials

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' 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 2016. 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.

1. Cash flows from operating activities:

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

2. Cash flows from investing activities:

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

3. Cash flows from financing activities:

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

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

Notes to the Financial Statements

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

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

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

Other notes include:

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

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

Performance Statement

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

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

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

Auditor-General's Report

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

Murrindindi Shire Council
Annual Financial Report
For the Year Ended 30 June 2016

Murrindindi Shire Council
Financial Report
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**Comprehensive
Income Statement
For the Year Ended 30 June 2016**

	Note	2016 \$	2015 \$
Income			
Rates and charges	3	18,293,213	16,867,705
Statutory fees and fines	4	692,421	651,314
User fees	5	2,206,192	1,931,642
Grants -operating	6	5,166,427	9,185,266
Grants - capital	6	3,332,588	3,211,051
Contributions - monetary	7	125,466	90,330
Contributions - non monetary	7	485,854	1,393,540
Other income	9	1,451,269	1,958,554
Total income		<u>31,753,430</u>	<u>35,289,402</u>
Expenses			
Employee benefits	10	12,637,588	12,159,434
Materials and services	11	9,592,393	9,130,270
Bad and Doubtful Debts	12	2,353	504,820
Depreciation and amortisation	13	8,272,031	7,666,537
Borrowing Cost	14	235,494	287,148
Net loss on disposal of property, infrastructure, plant and equipment	8	59,298	301,972
Other expenses	15	296,511	281,342
Total expenses		<u>31,095,668</u>	<u>30,331,523</u>
Surplus for the financial year		<u>657,762</u>	<u>4,957,879</u>
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation increment (decrement)	28	(2,832,566)	9,094,497
Comprehensive result		<u>(2,174,804)</u>	<u>14,052,376</u>

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

Balance Sheet
As at 30 June 2016

	Note	2016 \$	2015 \$
Assets			
Current assets			
Cash and cash equivalents	16	3,631,984	8,952,411
Trade and other receivables	17	3,028,486	2,330,680
Other financial assets	18	23,119,500	17,619,500
Inventories	19	41,493	53,121
Non-Current assets classified as held for sale	20	434,094	837,158
Other assets	21	367,381	312,019
Total current assets		<u>30,622,938</u>	<u>30,104,889</u>
Non-current assets			
Trade and other receivables	17	23,978	38,938
Property, infrastructure, plant and equipment	22	300,493,318	303,213,594
Intangible assets	23	3,815,721	259,471
Total non-current assets		<u>304,333,017</u>	<u>303,512,003</u>
Total assets		<u>334,955,955</u>	<u>333,616,892</u>
Liabilities			
Current liabilities			
Trade and other payables	24	3,109,153	2,824,160
Trust funds and deposits	25	973,558	835,466
Provisions	26	3,091,734	3,143,223
Interest-bearing loans and borrowings	27	673,639	768,570
Total current liabilities		<u>7,848,084</u>	<u>7,571,419</u>
Non-current liabilities			
Provisions	26	5,599,081	1,688,239
Interest-bearing loans and borrowings	27	1,354,511	2,028,151
Total non-current liabilities		<u>6,953,592</u>	<u>3,716,390</u>
Total liabilities		<u>14,801,676</u>	<u>11,287,809</u>
Net Assets		<u>320,154,279</u>	<u>322,329,083</u>
Equity			
Accumulated surplus		128,493,089	129,201,956
Reserves	28	191,661,190	193,127,127
Total Equity		<u>320,154,279</u>	<u>322,329,083</u>

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

**Statement of Changes in Equity
For the Year Ended 30 June 2016**

	Note	Total	Accumulated	Asset	Other
		\$	Surplus	Revaluation	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	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

		Total	Accumulated	Asset	Other
		\$	Surplus	Revaluation	Reserves
2015		\$	\$	\$	\$
Balance at beginning of the financial year		308,276,707	126,728,438	171,452,414	10,095,855
Surplus for the year		4,957,879	4,957,879	-	-
Net asset revaluation increment	28(a)	9,094,497	-	9,094,497	-
Transfers to other reserves	28(b)	-	(2,714,681)	-	2,714,681
Transfers from other reserves	28(b)	-	230,320	-	(230,320)
Balance at end of the financial year		322,329,083	129,201,956	180,546,911	12,580,216

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

Statement of Cash Flows
For the Year Ended 30 June 2016

	Note	2016 Inflows/ (Outflows) \$	2015 Inflows/ (Outflows) \$
Cash flows from operating activities			
Rates		18,105,465	16,735,812
Statutory fees and fines		705,328	652,809
User fees		2,130,661	2,431,742
Grants - operating		4,995,203	10,720,412
Grants - capital		3,360,380	3,220,172
Contributions - monetary		130,688	92,154
Interest received		833,673	756,188
Other Income		678,248	1,179,242
Net Fire Services Property Levy received (remitted)		(29,482)	(2,101,609)
Net GST refund		1,261,816	1,026,063
Net receipt/(repayment) of trust funds and deposits		167,574	(115,771)
Payments to suppliers (inclusive of GST)		(10,594,702)	(10,568,882)
Payments to employees (including redundancies)		(12,550,157)	(11,797,849)
Net cash provided by operating activities	29	<u>9,194,694</u>	<u>12,230,483</u>
Cash flows from investing activities			
Payments for property, plant and equipment, infrastructure		(8,545,720)	(6,064,864)
Proceeds from sale of property, plant and equipment, infrastructure		543,445	448,832
Payments for Investments		(5,500,000)	(17,619,500)
Net cash used in investing activities		<u>(13,502,275)</u>	<u>(23,235,532)</u>
Cash flows from financing activities			
Finance costs		(244,275)	(228,437)
Repayment of interest bearing loans and borrowings		(768,571)	(900,773)
Net cash used in financing activities		<u>(1,012,846)</u>	<u>(1,129,210)</u>
Net increase (decrease) in cash and cash equivalents		(5,320,427)	(12,134,259)
Cash and cash equivalents at the beginning of the financial year		8,952,411	21,086,670
Cash and cash equivalents at the end of the financial year	16	<u>3,631,984</u>	<u>8,952,411</u>

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

Restrictions on cash assets	16
Financing arrangements	30

Statement of Capital Works
For the Year Ended 30 June 2016

	Note	2016	2015
Property			
Land		800,000	-
Total land		<u>800,000</u>	<u>-</u>
Buildings		2,182,673	1,414,155
Total buildings		<u>2,182,673</u>	<u>1,414,155</u>
Total property		<u>2,982,673</u>	<u>1,414,155</u>
Plant and equipment			
Heritage plant and equipment		-	11,646
Plant, machinery and equipment		675,409	849,563
Fixtures, fittings and furniture		167,968	73,322
Library books		111,263	84,523
Total plant and equipment		<u>954,640</u>	<u>1,019,054</u>
Infrastructure			
Roads		2,646,463	1,188,708
Bridges		730,766	1,715,284
Footpaths and cycleways		713,328	537,865
Drainage		55,881	356,633
Total infrastructure		<u>4,146,438</u>	<u>3,798,490</u>
Total capital works expenditure		<u>8,083,751</u>	<u>6,231,699</u>
Represented by:			
New asset expenditure		2,961,665	940,739
Asset renewal expenditure		4,080,099	3,951,615
Asset upgrade expenditure		1,041,987	1,339,345
Total capital works expenditure		<u>8,083,751</u>	<u>6,231,699</u>

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

Notes to Financial Report For the Year Ended 30 June 2016

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.

Revision to accounting estimates are recognised in the period in which the estimates is 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 (s)

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.

**Notes to Financial Report
For the Year Ended 30 June 2016**

**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

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

(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 adjusted when applicable for any loss of service potential. Other inventories are measured at the lower of cost and net realisable value. Costs are assigned on the basis of weighted average costs.

**Notes to Financial Report
For the Year Ended 30 June 2016**

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 are 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 amount for which the asset could be exchanged between knowledgeable willing parties in an arm's length transaction.

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 applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior years.

	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 amount for which the assets could be exchanged between knowledgeable willing parties in an arms length transaction. 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 which case the increment is recognised as revenue up to the amount of the expense. Revaluation decrements are recognised as an expense except where prior increments are included in the asset revaluation reserve for that class of asset in which case the decrement is taken to the reserve to the extent of the remaining increments. Within the same class of assets, revaluation increments and decrements within the year are offset.

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.

**Notes to Financial Report
For the Year Ended 30 June 2016**

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.

**Notes to Financial Report
For the Year Ended 30 June 2016**

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

Certain new AAS's have been issued that are not mandatory for the 30 June 2016 reporting period. Council has assessed these pending standards and has identified that no material impact will flow from the application of these standards in future reporting periods.

(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 27th May 2015. 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 2016	Actual 2016	Variance 2016	Ref
Income				
Rates and charges	18,221,000	18,293,213	72,213	
Statutory fees and fines	685,000	692,421	7,421	
User fees	1,992,000	2,206,192	214,192	1
Grants - operating	6,935,000	5,166,427	(1,768,573)	2
Grants - capital	1,971,000	3,332,588	1,361,588	3
Contributions - monetary	54,000	125,466	71,466	4
Contributions - non monetary	-	485,854	485,854	5
Other income	1,179,000	1,451,269	272,269	6
Total income	<u>31,037,000</u>	<u>31,753,430</u>	<u>716,430</u>	
Expenses				
Employee costs	12,949,000	12,637,588	311,412	
Materials and services	10,600,000	9,592,393	1,007,607	7
Bad and doubtful debts	-	2,353	(2,353)	
Depreciation and amortisation	7,908,000	8,272,031	(364,031)	
Borrowing costs	284,000	235,494	48,506	8
Net loss on disposal of property, infrastructure, plant and equipment	625,000	59,298	565,702	9
Other expenses	285,000	296,511	(11,511)	
Total expenses	<u>32,651,000</u>	<u>31,095,668</u>	<u>1,555,332</u>	
Surplus/(deficit) for the year	<u>(1,614,000)</u>	<u>657,762</u>	<u>2,271,762</u>	

Note 2 Budget comparison (Cont.)

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	User Fees	User fees were \$214,000 above budget expectation. Items of extra income included landfill fees due to a neighbouring municipality using Councils facility on a short term arrangement, \$142,000, Council took over the operation of the Yea Riverside Caravan Park for a period during the changeover of the lease, \$169,000, and extra income from higher throughput at the Yea Saleyards, \$25,000. Offsetting the extra income was a reduction in aged and disabled private fees due to sector wide changes to the way these services are procured \$131,000.
2	Grants - operating	The Commonwealth Government paid approximately half of the 2015/16 Financial Assistance Grant on the 30th June 2015. This resulted in the amount being reported in the 2014/15 financial year resulting in a large budget variation in both the 2014/15 and 2015/16 reporting periods due to the timing differences.
3	Grants - capital	Council received an extra \$840,000 from the Roads to Recovery program, due to the Commonwealth Government commitment to increase and bring forward funding for all participants in the program. Vicroads black spot funding was received for Ghin Ghin road improvements \$168,000 and TIRES funding of \$79,000 was received for Myers Creek road. Council was successful in receiving an additional grant of \$139,000 under the Living Libraries Infrastructure Program to install generators to provide a reliable and stable power supply during scheduled and unexpected power outages.
4	Contributions - monetary	Council received community contributions toward infrastructure works, generally associated with grant funded projects. These included Eildon Bowls Club, Yea Football Netball Club and the Alexandra railway precinct. These contributions were unbudgeted because they were either carried forward from the previous year, and the works had been delayed, or they were required to match new unbudgeted grants for 2015-16.
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 \$208,000, drainage \$116,000 bridges \$128,000. Further details are outlined in note 7.
6	Other income	Other income exceed budget by \$272,000. Interest on investments generated an extra \$247,000 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. Offsetting these increase was a \$42,000 fall in the reimbursements for legal fees from debt collection due to lower cost increases in this area.
7	Materials and services	Expenditure was under budget \$1,008,000. Major variances include operating and maintenance expenditure on new and gifted assets which was \$395,000 below budget, this amount has been transferred to the New And Gifted Assets reserve in accordance with Councils policy to provide adequate resources to fund the future servicing demands of these assets. Fuel cost were below expectation due to the falling price of fuel \$144,000. Expenditure on consultants reduced by \$247,000 this is a combination of savings, utilisation of in house skills, and some projects within the operational budget being delayed and carried forward to the 2016-17 year. Maintenance cost on the Great Victorian Rail Trail were reduced, this is largely due to the works required being recorded as capital expenditure, whereas the expenditure had been anticipated as maintenance expenditure in the budget. A new roadside garbage collection contract was negotiated resulting in savings of \$108,000, while mulching expenditure was reduced \$51,000 due to contractors being unavailable prior to the end of June. Insurance cost were reduced in all areas due to lower premiums.
8	Borrowing costs	Borrowing cost have reduced due to Council not borrowing in the 2014/15 and 2015/16 years. Borrowings were budgeted to assist in the funding of Councils plant replacement program, however the purchases of several major items of plant was delayed pending further consideration of Councils ongoing plant requirements.
9	Net loss on disposal of property, infrastructure, plant and equipment	Council had budgeted for the sale of several buildings and land parcels, in addition to the annual plant and fleet vehicle change over process. Two units were sold at the Marysville Retirement Village, this resulted in a cost of \$83,000, while the annual plant and fleet changeovers generated an income of \$24,000. The remaining variance is due to assets that were budgeted to sell that have not sold.

Note 2 Budget comparison (cont)

b) Capital Works

	Budget 2016	Actual 2016	Variance 2016	Ref
Property				
Land	-	800,000	800,000	1
Total Land	-	800,000	800,000	
Buildings	1,854,000	2,182,673	328,673	2
Total Buildings	1,854,000	2,182,673	328,673	
Total Property	1,854,000	2,982,673	1,128,673	
Plant and Equipment				
Plant, machinery and equipment	1,051,000	675,409	(375,591)	3
Fixtures, fittings and furniture	302,000	167,968	(134,032)	4
Library books	96,000	111,263	15,263	5
Total Plant and Equipment	1,449,000	954,640	(494,360)	
Infrastructure				
Roads	3,118,000	2,646,463	(471,537)	6
Bridges	637,000	730,766	93,766	7
Footpaths and cycleways	210,000	713,328	503,328	8
Drainage	249,000	55,881	(193,119)	9
Total Infrastructure	4,214,000	4,146,438	(67,562)	
Total Capital Works Expenditure	7,517,000	8,083,751	566,751	
Represented by:				
New asset expenditure	1,158,000	2,961,665	1,803,665	
Asset renewal expenditure	4,761,000	4,080,099	(680,901)	
Asset upgrade expenditure	1,598,000	1,041,987	(556,013)	
Total Capital Works Expenditure	7,517,000	8,083,751	566,751	

Note 2 Budget comparison (cont)

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Land	Council purchased land adjoining the Yea Saleyards as part of the planned development of the facility. This purchase was not included within the adopted budget, however circumstance arose late in the reporting period where the land became available for purchase.
2	Buildings	Additional expenditure of \$329,000 is due to swimming pool works carried forward from the previous year. In addition Council received new grants during the year to extend planned works at Yea Railway Reserve and on Public Conveniences .
3	Plant, machinery and equipment	Plant purchases were under budget by \$376,000. 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 2016-17.
4	Fixtures, fittings and furniture	An underspend of \$134,000 in this area is due mainly to the delay in the purchase of an asset management system. Tenders have since be called and these funds will be expended during 2016-17
5	Library books	Funds were carried forward from the 2014-15 year and spent in 2015-16.
6	Roads	Underspend on roads of \$472,000 is mainly the result of, works on the Eildon Town Centre Revitalisation being delayed to coordinate with a utility service provider \$260,000. Also the vegetation project \$115,000 was delayed pending the investigation of suitable sites. These funds will be spent in the 2016-17 year.
7	Bridges	Addition expenditure of \$93,000 was to complete works carried forward from the 2014-15 year.
8	Footpaths and Cycleways	Additional expenditure of \$503,000. This was due to \$222,000 being carried forward from the 2014-15 year for the completion of the Kinglake Ranges Art History Walk. 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 \$208,000.
9	Drainage	Underspend on Drainage \$193,000, the net work expansion program was delayed due to weather conditions. These works have been tendered and will be expended in the 2016-17 year.

Notes to Financial Report
For the Year Ended 30 June 2016

	2016 \$	2015 \$
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 2015-2016 was \$3,891 million (2014-2015 \$3,864 million). The 2015-2016 rate in the dollar for general rate was 0.003415 of the capital improved value of the property (2014-2015 - 0.003222).		
The 2015-2016 Municipal Charge was \$307 (2014-2015 \$290) per rateable assessment. In 2015-2016 the Garbage Service Charge was \$337 (2014-2015 \$325) and Recycling Charge \$83 (2014-2015 \$79.50).		
Residential	5,479,692	5,383,542
Commercial	790,550	595,852
Rural 1	3,166,497	2,990,545
Rural 2	2,705,324	2,558,467
Vacant Land - Residential	558,175	-
Vacant Land - Commercial	28,239	-
Municipal charge	2,841,333	2,662,369
Garbage charge	2,134,285	2,024,651
Recycling	528,750	490,017
Special rates and charges	-	102,728
Revenue in lieu of rates	60,368	59,534
	<u>18,293,213</u>	<u>16,867,705</u>
The date of the last general revaluation of land for rating purposes within the municipal district was 1 January 2014, and the valuation was first applied to the rating period commencing 1 July 2014.		
The date of the next general revaluation of land for rating purposes within the municipal district was 1 January 2016, and the valuation will be first applied in the 2016/17 rating year.		

Note 4		
Statutory fees and fines		
Building	241,304	243,056
Environmental health and local laws	243,225	225,423
Planning and subdivisions	139,043	110,390
Infrastructure	33,293	54,562
Other	35,556	17,883
	<u>692,421</u>	<u>651,314</u>

Note 5		
User fees		
Quarry product	46,573	290
Halls and Community Centres	21,466	23,042
Aged care	476,601	542,635
Caravan Parks	168,520	-
Valuation data	5,981	99,296
Saleyard fees	357,034	368,509
Recreation pools and leisure centres	107,832	97,262
Rural Councils Summit	38,569	-
Waste - transfer station & landfill fees	948,261	759,350
Other fees and charges	35,355	41,258
	<u>2,206,192</u>	<u>1,931,642</u>

Notes to Financial Report
For the Year Ended 30 June 2016

	2016 \$	2015 \$
Note 6 Grants		
Grants were received in respect of the following :		
Summary of grants		
Commonwealth funded grants	5,501,917	8,226,146
State funded grants	2,997,098	4,170,171
Total grants received	<u>8,499,015</u>	<u>12,396,317</u>
Operating Grants		
Recurrent -Commonwealth Government		
Victorian Grants Commission - General Purpose	1,324,645	4,043,159
Victorian Grants Commission - Local Roads	781,379	2,451,472
Aged and Disability	273,773	351,352
Children Services	659,867	583,404
Customer Services	4,671	4,569
Recurrent -State Government		
Aged and Disability	1,077,341	1,018,677
Children Services	158,877	157,034
Emergency Services	38,559	38,559
Public Health	13,888	12,507
Library Services	143,454	139,864
Road Safety	16,823	11,934
Total recurrent Operating Grants	<u>4,493,277</u>	<u>8,812,531</u>
Non-recurrent -State Government		
Aged and Disability	167,060	-
Children Services	13,500	13,500
Community Development	-	74,818
Economic Development	210,060	54,786
Emergency Management	60,000	60,000
Environmental Services	28,862	46,682
Public Health	6,381	4,307
Library Services	6,287	6,340
Recreational Services	99,000	8,500
Roads and Bridges	-	34,302
Youth Services	82,000	69,500
Total non recurrent operating grants	<u>673,150</u>	<u>372,735</u>
Total Operating grants	<u>5,166,427</u>	<u>9,185,266</u>
Capital Grants		
Recurrent-Commonwealth Government		
Roads To Recovery	2,439,457	792,190
Buildings	18,125	
Total recurrent capital grants	<u>2,457,582</u>	<u>792,190</u>
Non-recurrent-State Government		
Buildings	583,963	1,298,270
Equipment	-	29,380
Footpaths and Cycleways	44,111	61,981
Bridges	-	1,000,000
Roads	246,932	29,230
Total non-recurrent capital grants	<u>875,006</u>	<u>2,418,861</u>
Total capital grants	<u>3,332,588</u>	<u>3,211,051</u>

Notes to Financial Report
For the Year Ended 30 June 2016

	2016	2015
	\$	\$
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	2,145,860	2,844,041
Received during the financial year and remained unspent at balance date	926,019	1,137,404
Received in prior years and spent during the financial year	<u>1,514,117</u>	<u>1,835,585</u>
Balance at end of year	<u>1,557,762</u>	<u>2,145,860</u>
Note 7		
Contributions		
Monetary - operating	54,466	49,336
Monetary - capital	71,000	40,994
Non-monetary - capital	<u>485,854</u>	<u>1,393,540</u>
Total Contributions	<u>611,320</u>	<u>1,483,870</u>
Contributions of non monetary assets were received in relation to the following asset classes		
land under roads	3,043	22,149
buildings	-	321,529
furniture and equipment	2,636	-
bridges	128,675	278,325
drainage	116,325	233,252
footpaths and cycleways	27,095	24,180
roads	<u>208,080</u>	<u>514,105</u>
Total	<u>485,854</u>	<u>1,393,540</u>
Note 8		
Gain / (Loss) on disposal of property, plant and equipment and infrastructure		
Proceeds from sales	543,445	448,832
less: Carrying amount of assets sold	<u>(602,743)</u>	<u>(750,804)</u>
	<u>(59,298)</u>	<u>(301,972)</u>

Users of the financial report should refer to Note 22 for additional details.

Notes to Financial Report
For the Year Ended 30 June 2016

	2016	2015
	\$	\$
Note 9		
Other income		
Interest	725,410	689,798
Interest on rates	105,700	133,268
Rental	135,742	155,474
Reimbursements	339,461	306,459
Supervision and administration recoupment	12,568	9,275
Sale of quarry operations	-	550,000
Other	132,388	114,280
	<u>1,451,269</u>	<u>1,958,554</u>
Note 10		
(a) Employee benefits		
Wages and salaries	10,910,934	10,379,371
Casual Staff	460,775	491,803
Superannuation	1,046,033	1,031,100
Fringe benefits tax	75,341	92,658
Workcover	144,505	164,502
	<u>12,637,588</u>	<u>12,159,434</u>
(b) Superannuation		
Council made contributions to the following funds:		
Defined benefit fund		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	84,650	82,996
Accumulation funds		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	372,534	627,814
Employer contributions - other funds	588,849	320,290
	<u>961,383</u>	<u>948,104</u>
Employer contributions payable at reporting date.		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	13,786	16,878
Employer contributions - other funds	21,791	8,610
Refer to Note 33 for further information relating to Councils Superannuation obligations		
Note 11		
Materials and services		
Utilities	535,225	521,425
Contractors	6,883,497	6,282,407
Legal Expenses	297,278	298,240
Insurance	390,545	402,159
Materials	794,508	909,433
Contributions	444,116	493,740
Consultants	247,224	222,866
	<u>9,592,393</u>	<u>9,130,270</u>
Note 12		
Bad and Doubtful Debts		
Rate Debtors	2,353	2,452
Other Debtors	-	502,368
	<u>2,353</u>	<u>504,820</u>

Notes to Financial Report
For the Year Ended 30 June 2016

	2016 \$	2015 \$
Note 13 Depreciation and amortisation		
Property	2,434,313	1,980,682
Plant and Equipment	846,992	872,176
Infrastructure	<u>4,976,332</u>	<u>4,795,639</u>
Total depreciation	<u>8,257,637</u>	<u>7,648,497</u>
Intangible assets	<u>14,394</u>	<u>18,040</u>
Total depreciation and amortisation	<u>8,272,031</u>	<u>7,666,537</u>

Refer to note 22 and 23 for a more detailed breakdown of depreciation and amortisation charges

Note 14 Borrowing cost		
Interest - borrowings	163,204	218,429
Interest - provision for landfill rehabilitation	<u>72,290</u>	<u>68,719</u>
	<u>235,494</u>	<u>287,148</u>

Note 15 Other expenses		
Auditors remuneration - auditing of the financial report	51,600	37,000
Auditors remuneration - internal audit	36,250	40,299
Councillors allowances	181,522	183,903
Other	<u>27,139</u>	<u>20,140</u>
	<u>296,511</u>	<u>281,342</u>

Note 16 Cash and cash equivalents		
Cash at Bank and on Hand	1,336,984	2,602,411
Term Deposits and at Call	<u>2,295,000</u>	<u>6,350,000</u>
	<u>3,631,984</u>	<u>8,952,411</u>

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

Trust funds and deposits (Note 25)	973,558	835,466
Statutory reserves (Note 28(b))	<u>423,754</u>	<u>416,754</u>
Total restricted cash and cash equivalents	<u>1,397,312</u>	<u>1,252,220</u>
Total unrestricted cash and cash equivalents	<u>2,234,672</u>	<u>7,700,191</u>

Intended allocations

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

Cash held to fund carried forward capital works	4,383,137	3,615,624
Grants received in advance	1,557,762	2,145,860
Bank Guarantee - Quarry	19,500	19,500
Cash held to fund discretionary reserves (Note 28)	13,523,091	12,163,462
Portion of Long Service Leave Liability	<u>424,324</u>	<u>292,549</u>
Total Intended allocations	<u>19,907,814</u>	<u>18,236,995</u>

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 2016

	2016 \$	2015 \$
Note 17 Trade and other receivables		
Current		
Rates debtors	1,422,997	1,259,037
Provision for doubtful rate debts	(40,065)	(37,713)
Garbage and Recycling debtors	274,509	250,722
Other debtors	569,584	337,800
Provision for doubtful debts - other debtors	(86,635)	(86,635)
Government grants	503,476	310,995
Special rate scheme	5,313	9,024
Net GST receivable	379,307	287,450
	<u>3,028,486</u>	<u>2,330,680</u>
Non-current		
Special rate scheme	23,978	38,938
	<u>23,978</u>	<u>38,938</u>
Total trade and other receivables	<u>3,052,464</u>	<u>2,369,618</u>

At balance date other debtors representing financial assets were past due but not impaired. These amounts relate to a number of independent customers for whom there is no recent history of default. The ageing of the Council's trade & other receivables (excluding statutory receivables) was:

a) Ageing of Receivables

Current (not yet due)	755,637	310,322
Past due by up to 30 days	139,292	54,868
Past due between 31 and 180 days	16,480	85,930
Past due between 181 and 365 days	1,566	75,725
Past due by more than 1 year	73,450	35,315
Total trade & other receivables	<u>986,425</u>	<u>562,160</u>

b) Movement in provisions for doubtful debts

Balance at the beginning of the year	86,635	86,635
Balance at end of year	<u>86,635</u>	<u>86,635</u>

Notes to Financial Report
For the Year Ended 30 June 2016

	2016 \$	2015 \$
Note 17 Trade and other receivables (Cont.)		
c) Ageing of individually impaired Receivables		
At balance date, other debtors representing financial assets with a nominal value of \$86,635 (2015: \$86,635) were impaired. The amount of the provision raised against these debtors was \$86,635 (2015: \$86,635). They individually have been impaired as a result of their doubtful collection. Many of the long outstanding past due amounts have been lodged with Council's debt collectors or are on payment arrangements. Statutory receivables are not included in the analysis of aging and impairment.		
The ageing of receivables that have been individually determined as impaired at reporting date was:		
Past due by more than 1 year	<u>86,635</u>	<u>86,635</u>
Total trade & other receivables	<u>86,635</u>	<u>86,635</u>
Note 18 Other financial assets		
Term Deposit	<u>23,119,500</u>	<u>17,619,500</u>
	<u>23,119,500</u>	<u>17,619,500</u>
Note 19 Inventories		
Other - Alexandra Depot	22,578	32,995
Other - Yea Depot	18,915	20,126
	<u>41,493</u>	<u>53,121</u>
Note 20 Non-Current assets classified as held for sale		
Land	434,094	561,894
Buildings	-	275,264
	<u>434,094</u>	<u>837,158</u>
Note 21 Other assets		
Accrued Income	161,907	177,377
Prepayments	205,474	134,642
	<u>367,381</u>	<u>312,019</u>

Note 22 Property, infrastructure, plant and equipment

Summary of property, Infrastructure, plant and equipment

	At Fair Value 30-June-2016	Accumulated Depreciation	WDV 30-June-2016	At Fair Value 30-June-2015	Accumulated Depreciation	WDV 30-June-2015
Land	31,065,243	-	31,065,243	29,127,654	-	29,127,654
Buildings	99,366,880	(37,597,754)	61,769,126	96,020,450	(34,677,212)	61,343,238
Plant and Equipment	9,834,762	(4,959,169)	4,875,593	9,461,101	(4,496,114)	4,964,987
Infrastructure	300,137,833	(99,092,159)	201,045,674	300,944,170	(96,436,955)	204,507,215
Works in Progress	1,737,682	-	1,737,682	3,270,500	-	3,270,500
	<u>442,142,400</u>	<u>(141,649,082)</u>	<u>300,493,318</u>	<u>438,823,875</u>	<u>(135,610,281)</u>	<u>303,213,594</u>

Summary of Works in Progress

	Opening WIP	Additions	Transfers	Closing WIP
Buildings	1,075,017	673,811	(858,159)	890,669
Infrastructure	2,195,483	659,247	(2,007,717)	847,013
Total	<u>3,270,500</u>	<u>1,333,058</u>	<u>(2,865,876)</u>	<u>1,737,682</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 2015		21,770,969	3,527,517	3,829,168	29,127,654	76,323,800	19,696,650	96,020,450	1,075,017	126,223,121
Accumulated depreciation at 1 July 2015		-	-	-	-	(27,353,947)	(7,323,265)	(34,677,212)	-	(34,677,212)
		<u>21,770,969</u>	<u>3,527,517</u>	<u>3,829,168</u>	<u>29,127,654</u>	<u>48,969,853</u>	<u>12,373,385</u>	<u>61,343,238</u>	<u>1,075,017</u>	<u>91,545,909</u>
Movements in fair value										
Acquisition of assets at fair value		-	800,000	3,043	803,043	1,508,862	-	1,508,862	673,811	2,985,716
Revaluation increments/decrements		446,305	72,314	615,927	1,134,546	778,503	200,906	979,409	-	2,113,955
Fair value of assets disposed		-	-	-	-	-	-	-	-	-
Transfers		-	-	-	-	858,159	-	858,159	(858,159)	-
		<u>446,305</u>	<u>872,314</u>	<u>618,970</u>	<u>1,937,589</u>	<u>3,145,524</u>	<u>200,906</u>	<u>3,346,430</u>	<u>(184,348)</u>	<u>5,099,671</u>
Movements in accumulated depreciation										
Depreciation and amortisation		-	-	-	-	(1,952,114)	(482,199)	(2,434,313)	-	(2,434,313)
Accumulated depreciation of disposals		-	-	-	-	-	-	-	-	-
Revaluation increments/decrements		-	-	-	-	(298,922)	(79,616)	(378,538)	-	(378,538)
Impairment losses recognised in revaluation reserve		-	-	-	-	-	(107,691)	(107,691)	-	(107,691)
Transfers		-	-	-	-	-	-	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,251,036)</u>	<u>(669,506)</u>	<u>(2,920,542)</u>	<u>-</u>	<u>(2,920,542)</u>
At fair value 30 June 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 30 June 2016		-	-	-	-	(29,604,983)	(7,992,771)	(37,597,754)	-	(37,597,754)
		<u>22,217,274</u>	<u>4,399,831</u>	<u>4,448,138</u>	<u>31,065,243</u>	<u>49,864,341</u>	<u>11,904,785</u>	<u>61,769,126</u>	<u>890,669</u>	<u>93,725,038</u>

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 2015		345,787	6,485,591	1,837,787	791,936	9,461,101
Accumulated depreciation at 1 July 2015		(17,313)	(3,057,847)	(1,063,930)	(357,024)	(4,496,114)
		<u>328,474</u>	<u>3,427,744</u>	<u>773,857</u>	<u>434,912</u>	<u>4,964,987</u>
Movements in fair value						
Acquisition of assets at fair value		-	675,409	170,604	111,263	957,276
Fair value of assets disposed		-	(407,826)	(77,876)	(97,913)	(583,615)
		<u>-</u>	<u>267,583</u>	<u>92,728</u>	<u>13,350</u>	<u>373,661</u>
Movements in accumulated depreciation						
Depreciation and amortisation		(4,907)	(578,662)	(169,121)	(94,301)	(846,991)
Accumulated depreciation of disposals		-	208,438	77,585	97,913	383,936
		<u>(4,907)</u>	<u>(370,224)</u>	<u>(91,536)</u>	<u>3,612</u>	<u>(463,055)</u>
At fair value 30 June 2016		345,787	6,753,174	1,930,515	805,286	9,834,762
Accumulated depreciation at 30 June 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>

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 2015		220,581,684	53,353,712	8,844,630	18,164,144	2,195,483	303,139,653
Accumulated depreciation at 1 July 2015		(71,020,867)	(18,114,720)	(3,052,687)	(4,248,681)	-	(96,436,955)
		<u>149,560,817</u>	<u>35,238,992</u>	<u>5,791,943</u>	<u>13,915,463</u>	<u>2,195,483</u>	<u>206,702,698</u>
Movements in fair value							
Acquisition of assets at fair value		2,683,616	669,403	442,141	172,206	659,247	4,626,613
Revaluation increments/decrements		(4,955,470)	(1,216,213)	(191,962)	(417,775)	-	(6,781,420)
Fair value of assets disposed		-	-	-	-	-	-
Transfers		560	1,644,186	362,971	-	(2,007,717)	-
		<u>(2,271,294)</u>	<u>1,097,376</u>	<u>613,150</u>	<u>(245,569)</u>	<u>(1,348,470)</u>	<u>(2,154,807)</u>
Movements in accumulated depreciation							
Depreciation and amortisation		(3,903,244)	(611,261)	(264,824)	(197,003)	-	(4,976,332)
Accumulated depreciation of disposals		-	-	-	-	-	-
Revaluation increments/decrements		1,712,779	430,385	75,713	102,251	-	2,321,128
		<u>(2,190,465)</u>	<u>(180,876)</u>	<u>(189,111)</u>	<u>(94,752)</u>	<u>-</u>	<u>(2,655,204)</u>
At fair value 30 June 2016		218,310,390	54,451,088	9,457,780	17,918,575	847,013	300,984,846
Accumulated depreciation at 30 June 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>

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 Eford valuer registration number 62990. Based on information from the valuers an indexation valuation was applied for 2015/16 being 2.05% land and 1.02% 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 2016 are as follows:

	Level 1	Level 2	Level 3
Land	-	4,399,831	22,217,274
Land Under Roads	-	-	4,448,138
Buildings	-	11,904,785	49,864,341
Total	-	16,304,616	76,529,753

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 \$252 per square metre.

	2016	2015
Reconciliation of specialised land		
Land under roads	4,448,138	3,829,168
Active Recreation	6,241,959	6,116,569
Passive Recreation	8,660,367	8,486,396
Community centres and hall reserves	1,308,845	1,282,553
Waste Management	1,898,926	1,860,780
Other	4,107,177	4,024,671
Total specialised land	26,665,412	25,600,137

Specialised buildings are valued using a depreciated replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs is calculated on a square metre basis and ranges 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 road assets have been determined by Council Officer John Canny A.A.I.Q.S. The valuation was first applied in the financial year ended 30 June 2013.

Valuation of footpaths and cycleways have been determined by Council Officer John Canny A.A.I.Q.S. The valuation was first applied in the financial year ended 30 June 2013.

Valuation of storm water drainage have been determined by Council Officer John Canny A.A.I.Q.S. The valuation was first applied in the financial year ended 30 June 2015.

Valuations of bridges have been independently determined by Pitt and Sherry Pty Ltd. The valuation was first applied in the financial year ended 30 June 2014.

Valuations have been indexed as at 30 June 2016 using Victorian road and bridge construction cost data provided by the Australian Bureau of Statistics.

The valuations are at fair value as at 30 June 2016 based on replacement cost less accumulated depreciation as at the date of valuation.

Details of the Council's infrastructure and information about the fair value hierarchy as at 30 June 2016 are as follows:

Details of the Council's infrastructure and information about the fair value hierarchy as at 30 June 2016 are as follows:

	Level 1	Level 2	Level 3
Roads	-	-	145,099,058
Bridges	-	-	36,155,492
Footpaths and cycleway	-	-	6,215,982
Drainage	-	-	13,575,142
Total	-	-	201,045,674

Infrastructure assets are valued based on the depreciated replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives of infrastructure. The remaining useful lives of infrastructure assets are determined on the basis of the current condition of the asset and vary from 20-200 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of infrastructure are sensitive to changes in use, expectations or requirements that could either shorten or extend the useful lives of infrastructure assets.

Notes to Financial Report
For the Year Ended 30 June 2016

	2016	2015
	\$	\$
Note 23		
Intangible assets		
Gross Carrying amount		
Landfill air space 1/7/2016	326,650	-
Transfer from property, infrastructure plant equipment.	-	326,650
Additions from internal developments (1)	<u>3,570,644</u>	
Landfill air space 30/6/2016	<u>3,897,294</u>	<u>326,650</u>
Accumulated amortisation		
Balance at 1 July 2015	67,179	-
Transfer from property, infrastructure plant equipment.	-	49,139
Amortisation expense	<u>14,394</u>	<u>18,040</u>
Balance at 30 June 2016	<u>81,573</u>	<u>67,179</u>
Net book value at 30 June 2016	<u>3,815,721</u>	<u>259,471</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	2,542,388	2,402,954
Loan Interest	23,818	32,599
Accrued wages	494,227	357,927
Accrued expenses	<u>48,720</u>	<u>30,680</u>
	<u>3,109,153</u>	<u>2,824,160</u>

Note 25		
Trust funds and deposits		
Refundable building deposits	39,500	44,500
Refundable planning permit bonds	299,886	249,820
Retention contract deposits	343,583	291,128
Fire Service Property Levy	63,601	93,083
Other refundable deposits	<u>226,988</u>	<u>156,935</u>
	<u>973,558</u>	<u>835,466</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 Councils contractual obligations.

Notes to Financial Report
For the Year Ended 30 June 2016

Note 26 Provisions

	Employee	Landfill restoration	Total	
	\$	\$	\$	
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	<u>3,389,778</u>	<u>5,301,037</u>	<u>8,690,815</u>	
2015				
Balance at beginning of the financial year	3,200,157	1,324,096	4,524,253	
Additional provisions	1,081,643	68,719	1,150,362	
Amounts used	(843,153)	-	(843,153)	
Balance at the end of the financial year	<u>3,438,647</u>	<u>1,392,815</u>	<u>4,831,462</u>	
			2016	2015
			\$	\$
(a) Employee benefits				
Current provision expected to be settled within 12				
Annual leave			742,538	726,760
Long service leave			100,879	123,640
			<u>843,417</u>	<u>850,400</u>
Current provision expected to be settled after 12				
Annual leave			384,181	371,498
Long service leave			1,864,136	1,921,325
			<u>2,248,317</u>	<u>2,292,823</u>
Total Current employee provision			<u>3,091,734</u>	<u>3,143,223</u>
Non-current				
Long service leave			298,044	295,424
Total Non-current employee provision			<u>298,044</u>	<u>295,424</u>
Aggregate carrying amount of employee benefits:				
Current			3,091,734	3,143,223
Non-current			298,044	295,424
Total aggregate carrying amount of employee benefits:			<u>3,389,778</u>	<u>3,438,647</u>
(b) Provisions				
Non-current				
Landfill Restoration			5,301,037	1,392,815
			<u>5,301,037</u>	<u>1,392,815</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>8,690,815</u>	<u>4,831,462</u>

**Notes to Financial Report
For the Year Ended 30 June 2016**

	2016 \$	2015 \$
Note 27 Interest-bearing loans and borrowings		
Current		
Bank loans - secured	673,639	768,570
	<u>673,639</u>	<u>768,570</u>
Non-current		
Bank loans - secured	1,354,511	2,028,151
	<u>1,354,511</u>	<u>2,028,151</u>
Total	<u>2,028,150</u>	<u>2,796,721</u>
The maturity profile for Council's borrowings is:		
Not later than one year	673,639	768,570
Later than one year and not later than five years	1,054,031	1,361,125
Later than five years	300,480	667,026
	<u>2,028,150</u>	<u>2,796,721</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	673,639	768,570
Non-current	1,354,511	2,028,151
	<u>2,028,150</u>	<u>2,796,721</u>

**Notes to Financial Report
For the Year Ended 30 June 2016**

Note 28	Reserves	2016	2015
		\$	\$
	Asset revaluation reserves (a)	177,714,345	180,546,911
	Other reserves (b)	13,946,845	12,580,216
		<u>191,661,190</u>	<u>193,127,127</u>

(a)	Asset revaluation reserves	Balance at beginning of reporting period	Increment (decrement)	Balance at end of reporting period
		\$	\$	\$
	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>
	2015			
	Property			
	Land	16,449,435	4,928,718	21,378,153
	Land under roads	269,053	-	269,053
	Buildings	24,975,477	421,522	25,396,999
		<u>41,693,965</u>	<u>5,350,240</u>	<u>47,044,205</u>
	Infrastructure			
	Bridges	5,241,170	104,003	5,345,173
	Drainage	6,353,396	3,191,834	9,545,230
	Footpaths and Cycleways	4,342,056	15,860	4,357,916
	Roads	113,821,827	432,560	114,254,387
		<u>129,758,449</u>	<u>3,744,257</u>	<u>133,502,706</u>
	Total Asset revaluation reserves	<u>171,452,414</u>	<u>9,094,497</u>	<u>180,546,911</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 2016

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)	\$	\$	\$	\$
2016				
Statutory Reserves				
Public Open Space Reserve	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
Garbage Reserve	4,677,985	1,354,010	(411,695)	5,620,300
Gifted and Novated Assets Reserve	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 Reserve	463,156	28,117	-	491,273
Marysville Caravan Park	152,087	42,647	(101,843)	92,891
New and Expanded Assets Reserve	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

Notes to Financial Report
For the Year Ended 30 June 2016

Note 28 Reserves (cont.)

	Balance at beginning of reporting period	Transfer from accumulated surplus	Transfer to accumulated surplus	Balance at end of reporting period
	\$	\$	\$	\$
2015				
Statutory Reserves				
Public Open Space Reserve	394,004	22,750	-	416,754
Discretionary Reserves				
Alexandra Community Leisure Centre	10,881	5,503	-	16,384
Coster Street Units Reserve	42,922	-	(42,922)	-
Defined Benefits Superannuation	300,000	300,000	-	600,000
Garbage Reserve	3,789,528	956,969	(68,512)	4,677,985
Gifted and Novated Assets Reserve	920,000	-	-	920,000
Infrastructure Contributions Parking	41,080	-	-	41,080
Infrastructure Balance MAP funding	434,022	-	-	434,022
Infrastructure Maintenance Reserve	684,016	266,060	-	950,076
Infrastructure Unexpended Capital Works Reserve	426,843	41,313	(5,000)	463,156
Marysville Caravan Park	113,489	53,549	(14,951)	152,087
New and Expanded Assets Reserve	2,610,467	910,851	-	3,521,318
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	19,186	-	(19,186)	-
Yea Saleyards	186,090	157,686	(79,749)	264,027
Total Other reserves	10,095,855	2,714,681	(230,320)	12,580,216

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

Garbage 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)

Gifted and Novated reserve is funds set aside from State Government funding to 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 2015/16 that will be completed in early 2016/17.

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

**Notes to Financial Report
For the Year Ended 30 June 2016**

	2016	2015
	\$	\$
Note 29		
Reconciliation of cash flows from operating activities to surplus		
Surplus for the financial year	657,762	4,957,879
Depreciation and amortisation	8,272,031	7,666,537
Contributions - non-monetary	(485,854)	(1,393,540)
Finance Costs	244,275	228,437
(Gain)/loss on disposal of property, plant and equipment, infrastructure	59,298	301,972
<i>Change in assets and liabilities:</i>		
(Increase)/Decrease in trade and other receivables	(682,846)	2,147,473
(Increase)/Decrease in inventories	11,628	215,863
(Increase)/Decrease in other current assets	(3,626,006)	(64,143)
Increase/(Decrease) in trade and other payables	746,961	80,176
Increase/(Decrease) in trust funds and deposits	138,092	(2,217,380)
Increase in provisions	3,859,353	307,209
Net cash provided by operating activities	<u>9,194,694</u>	<u>12,230,483</u>
Note 30		
Financing arrangements		
Secured bank loans at fixed interest rates:		
Facility available	2,028,150	2,796,721
Used facility	<u>2,028,150</u>	<u>2,796,721</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 2016

Note 31 Commitments

The Council has entered into the following commitments

2016	Not later than 1 year \$	Later than 1 year and not later than 2 years \$	Later than 2 years and not later than 5 years \$	Later than 5 years \$	Total \$
Operating					
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 & 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
2015					
	Not later than 1 year \$	Later than 1 year and not later than 2 years \$	Later than 2 years and not later than 5 years \$	Later than 5 years \$	Total \$
Operating					
Garbage and recycling collection	1,074,000	1,074,000	2,622,000	3,496,000	8,266,000
Cleaning buildings and streets	203,770	203,770	-	-	407,540
Document output devices	23,139	-	-	-	23,139
Valuation services	156,922	18,306	356,988	-	532,216
Other	99,929	30,305	59,015	-	189,249
Total	1,557,760	1,326,381	3,038,003	3,496,000	9,418,144
Capital					
Buildings & improvements	766,720	-	-	-	766,720
Total	766,720	-	-	-	766,720

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):

	2016 \$	2015 \$
Not later than one year	134,165	234,246
Later than one year and not later than five years	131,741	172,530
Later than five years	4,638	5,421
	<u>270,544</u>	<u>412,197</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:

	2016 \$	2015 \$
Not later than one year	133,024	145,365
Later than one year and not later than five years	550,489	332,696
Later than five years	1,718,171	971,315
	<u>2,401,684</u>	<u>1,449,376</u>

Notes to Financial Report For the Year Ended 30 June 2016

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 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 2016, this was 9.5% required under Superannuation Guarantee legislation (for 2014/15, this was 9.5%)).

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 2015, 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 105.8%. 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 30th June 2016 was 102%. The VBI is to be used as the primary funding indicator. Because the VBI was above 100%, the 2015 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 2015 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 2016, this rate was 9.5% of members' salaries (9.5% in 2014/2015). 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.

**Notes to Financial Report
For the Year Ended 30 June 2016**

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 (including Council) are required to make an employer contribution to cover the shortfall. Using the agreed methodology, the shortfall amount is apportioned between the participating employers based on the pre-1 July 1993 and post-30 June 1993 service liabilities of the Fund's Defined Benefit category, together with the employer's payroll at 30 June 1993 and at the date the shortfall has been calculated.

Due to the nature of the contractual obligations between the participating employers and the Fund, and that the Fund includes lifetime pensioners and their reversionary beneficiaries, it is unlikely that the Fund will be wound up. If there is a surplus in the Fund, the surplus cannot be returned to the participating employers. In the event that a participating employer is wound-up, the defined benefit obligations of that employer will be transferred to that employer's successor.

2015 Interim actuarial investigation surplus amounts

The Fund's interim actuarial investigation as at 30 June 2015 identified the following in the defined benefit category of which Council is a contributing employer:

- A VBI surplus of \$130.8 million; and
- A total service liability surplus of \$239 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 2015. The total service liability surplus means that the current value of the assets in the Fund's Defined Benefit category plus expected future contributions exceeds the value of expected future benefits and expenses. Council was notified of the 30 June 2015 VBI during August 2015.

Future superannuation contributions

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2017 is \$84,650.

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 2016 (2015 Nil)

Note 35 Financial Instruments

(a) Objectives and policies

The Council's principal financial instruments comprise cash assets, term deposits, receivables (excluding statutory receivables), payables (excluding statutory payables) and bank borrowings. Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument is disclosed in 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. Our interest rate liability risk arises primarily from long term loans and borrowings at fixed rates which exposes us to fair value interest rate risk. Council does not hold any interest bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Council has minimal exposure to cash flow interest rate risk through its cash and deposits that are at floating rate.

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

- diversification of investment product,
- monitoring of return on investment,
- 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 us to make a financial loss.

Council have exposure to credit risk on all financial assets included in our balance sheet. To help manage this risk:

- Council have a policy for establishing credit limits for the entities we deal with;
- Council may require collateral where appropriate; and
- Council only invest surplus funds with financial institutions which have a recognised credit rating specified in our 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.

Note 35 **Financial Instruments (cont.)**
(c) Credit risk (cont.)

We may also be subject to credit risk for transactions which are not included in the balance sheet, such as when we provide 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 our operational liquidity requirements:

- Council will not have sufficient funds to settle a transaction on the date;
- Council will be forced to sell financial assets at a value which is less than what they are worth; or
- Council may be unable to settle or recover a financial assets at all.

To help reduce these risks Council:

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

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.

(e) Fair value

Unless otherwise stated, the carrying amount of financial instruments reflect their 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 1.75%.

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

**Notes to Financial Report
For the Year Ended 30 June 2016**

Note 36 Related party transactions

(i) Responsible Persons

Names of persons holding the position of a Responsible Person at the Council at any time during the year are:

Councillors	Councillor Margaret Rae - Mayor
	Councillor Andrew Derwent - resigned 27th April 2016
	Councillor Bernie Magner - resigned 28th August 2015
	Councillor Christine Challen
	Councillor John Kennedy
	Councillor John Walsh
	Councillor Christopher Healy - from by-election 29th August 2015
	Councillor Eric Lording - from by-election 29th August 2015

Chief Executive Officer Margaret Abbey

(ii) Remuneration of Responsible Persons

The numbers of Responsible Officers, whose total remuneration from Council and any related entities fall within the following bands:

	2016 No.	2015 No.
\$0 - \$9,999	1	-
\$10,000 - \$19,999	3	-
\$20,000 - \$29,999	3	6
\$30,000 - \$39,999	-	-
\$40,000 - \$49,999	-	-
\$60,000 - \$69,999	1	1
\$200,000 - \$209,999	-	-
\$220,000 - \$229,999	1	1
	<u>9</u>	<u>8</u>
	\$	\$
Total Remuneration for the reporting year for Responsible Persons included above amounted to:	405,849	405,834

(iii) No retirement benefits have been made by the Council to a Responsible Person. (2014/15, \$0).

(iv) No loans have been made, guaranteed or secured by the Council to a Responsible Person during the reporting year. (2014/15, \$0).

(v) Other Transactions

No transactions other than remuneration payments or the reimbursement of approved expenses were entered into by Council with Responsible Persons, or Related Parties of such Responsible Persons during the reporting year. (2014/15, \$0).

(vi) Senior Officers Remuneration

A Senior Officer other than a Responsible Person, is an officer of Council who has management responsibilities and reports directly to the Chief Executive Officer or whose total annual remuneration exceeds \$139,000.

The number of Senior Officers other than the Responsible Persons, are shown below in their relevant income bands:

	2016 No.	2015 No.
Income Range:		
Less than \$139,000	-	6
\$139,001 - \$149,999	2	-
\$150,000 - \$159,999	-	1
\$160,000 - \$169,999	1	1
\$170,000 - \$179,999	1	-
\$240,000 - \$249,999	1	-
	<u>5</u>	<u>8</u>
	\$	\$

Total Remuneration for the reporting year for Senior Officers included above, amounted to: 866,687 1,022,289

Note 37 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 : 26/09/16
Alexandra

In our opinion the accompanying financial statements present fairly the financial transactions of Murrindindi Shire Council for the year ended 30 June 2016 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.




Margaret Rae
Councillor

Date : 26/9/16
Alexandra



John Kennedy
Councillor

Date : 26/9/16
Alexandra



Margaret Abbey
Chief Executive Officer

Date : 26/9/16
Alexandra

INDEPENDENT AUDITOR'S REPORT

To the Councillors, Murrindindi Shire Council

The Financial Report

I have audited the accompanying financial report for the year ended 30 June 2016 of the Murrindindi Shire Council which comprises the comprehensive income statement, balance sheet, statement of changes in equity, statement of cash flows, statement of capital works, notes comprising a summary of the significant accounting policies and other explanatory information, and the certification of the financial statements.

The Councillors' Responsibility for the Financial Report

The Councillors of the Murrindindi Shire Council are responsible for the preparation and the fair presentation of the financial report in accordance with Australian Accounting Standards, and the financial reporting requirements of the *Local Government Act 1989*.

The Councillors are responsible for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

As required by the *Audit Act 1994* and the *Local Government Act 1989*, my responsibility is to express an opinion on the financial report based on the audit, which has been conducted in accordance with Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Councillors, as well as evaluating the overall presentation of the financial report.

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

Independent Auditor's Report (continued)

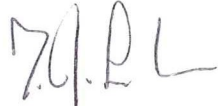
Independence

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, I and my staff and delegates complied with the applicable independence requirements of the Australian Auditing Standards and relevant ethical pronouncements.

Opinion

In my opinion the financial report presents fairly, in all material respects, the financial position of the Murrindindi Shire Council as at 30 June 2016 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Local Government Act 1989*.

MELBOURNE
28 September 2016


R Andrew Greaves
Auditor-General

Description of Municipality

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

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 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.

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.murrumbidgee.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*

"HACC program" means the Home and Community Care program established under the Agreement entered into for the purpose of the Home and Community Care Act 1985 of the Commonwealth

"HACC service" means home help, personal care of community respite provided under the HACC program

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

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

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

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

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

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

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

"population" means the resident population estimated by Council

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

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

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

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

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

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

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

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

"WorkSafe reportable aquatic facility safety incident" means an incident relating to a council aquatic facility that is required to be notified to the Victorian WorkCover Authority under Part 5 of the *Occupational Health and Safety Act 2004*.

Notes to Financial Report
For the Year Ended 30 June 2016

PERFORMANCE STATEMENT

Sustainable Capacity Indicators

<i>Indicator / measure</i>	Results 2015	Results 2016	Material Variations
Population			
<i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$2,231.08	\$2,287.29	No material variations for 2015/16.
<i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$20,160.79	\$19,818.00	No material variations for 2015/16.
<i>Population density per length of road</i> [Municipal population / Kilometres of local roads]	11.33	11.02	No material variations for 2015/16.
Own-source revenue			
<i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$1,574.79	\$1,665.55	No material variations for 2015/16.
Recurrent grants			
<i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$706.49	\$511.28	Recurrent grant revenue for 2015/16 decreased 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	8.00	No variation for 2015/16.

Notes to Financial Report
For the Year Ended 30 June 2016

PERFORMANCE STATEMENT

Service Performance Indicators

Service/indicator/measure	Results 2015	Results 2016	Material Variations
Aquatic Facilities Utilisation <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	1.57	1.42	Data accuracy reviewed in 2015/16 resulting in an accurate collection of attendance data. Results for 2014/15 include estimates for daily family tickets which did not clearly specify the amount of children entering under this ticket.
Animal Management Health and safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	0.00	2.00	Council issued two dangerous dog declarations during 2015/16.
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%	No material variations for 2015/16.
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	This result is below the small rural average for 2015/16 and a 5 point decrease from 2014/15 and may reflect a response to the decision made by Council with regard to application for a rate cap variation for 2016/17.
Libraries Participation <i>Active library members</i> [Number of active library members / Municipal population] x100	16.68%	21.44%	Active library participation increased across the municipality when compared to data recorded in 2014/15 by 4.8%.

Notes to Financial Report
For the Year Ended 30 June 2016

PERFORMANCE STATEMENT

Maternal and Child Health (MCH)			
Participation			
<i>Participation in the MCH service</i>	70.30%	95.28%	Council's results for 2015/16 are inclusive of all visits undertaken throughout the year, whereas last year's results excluded visitation from non-residents. The 2015/16 results are now a better reflection of the overall service delivered in the Shire for the year.
[Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100			
Participation			
<i>Participation in the MCH service by Aboriginal children</i>	100.00%	100.00%	No material variations for 2015/16.
[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			
Roads			
Satisfaction			
<i>Satisfaction with sealed local roads</i>	52.00	51.00	No material variations for 2015/16.
[Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]			
Statutory Planning			
Decision making			
<i>Council planning decisions upheld at VCAT</i>	100.00%	100.00%	No material variations for 2015/16.
[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			
Waste Collection			
Waste diversion			
<i>Kerbside collection waste diverted from landfill</i>	36.18%	39.59%	There was a marginal increase in kerbside waste diverted from landfill during 2015/16. The overall percentage of waste diverted to recycling instead of being land filled was 40.0% for the year which exceeded Council's target of 35%.
[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100			

Notes to Financial Report
For the Year Ended 30 June 2016

PERFORMANCE STATEMENT							
Financial Performance Indicators							
Dimension/indicator/measure	Results 2015	Results 2016	2017	2018	2019	2020	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	\$1,065.50	\$1,111.31	\$1,159.10	\$1,208.94	Increases for 2015/16 incorporate the annual rate increase as well as the effect of supplementary income received on residential properties that were built or improved throughout 2015/16. It should be noted that the forecasts have been adjusted down to not include the municipal charge which was included in Council's adopted budget to provide meaningful comparison to the 2015 result.
Expenditure level							
63 Expenses per property assessment [Total expenses / Number of property assessments]	\$3,192.12	\$3,237.78	\$3,396.85	\$3,492.93	\$3,587.84	\$3,686.22	No material variations for 2015/16.
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%	14.00%	10.00%	10.00%	10.00%	Higher results for 2015/16 when compared to forecasts are due to a larger number of retirements and resignations for 2015/16 including a restructure of Council's Development Services division. Council's aging workforce will see more retirements and resignations in the coming years.
Liquidity							
Working capital							
55 Current assets compared to current liabilities [Current assets / Current liabilities] x100	397.61%	390.20%	372.76%	380.38%	388.05%	395.76%	Council's liquidity position remains strong compared to 2014/15, with results projected to remain consistent in the next four years.
Unrestricted cash							
56 Unrestricted cash compared to current liabilities [Unrestricted cash / Current liabilities] x100	73.10%	28.47%	318.57%	95.90%	96.10%	96.30%	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 \$23.1m of cash in such term deposits as of 30 June 2016 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%	71.13%	67.69%	52.03%	66.00%	Council achieved 61% of its total revised capital works budget for 2015/16 due to significant carry forwards from 2014/15 and newly funded grant projects in 2015/16.
Loans and borrowings							
57 Loans and borrowings compared to rates [Interest bearing loans and borrowings / Rate revenue] x100	16.58%	11.09%	11.84%	11.01%	10.24%	9.53%	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%	4.67%	4.32%	4.33%	4.01%	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%	15.97%	15.13%	14.34%	13.59%	This ratio increased in 2015/16 due to a significant increase in the provision being recognised for costs to be incurred for the restoration of the landfill site used for waste management.
Operating position							
Adjusted underlying result							
54 Adjusted underlying surplus (or deficit) [Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x100	3.51%	-2.55%	-0.13%	1.03%	1.00%	0.97%	Council's result in 2014/15 was inflated due to the brought forward payment of the 2015-16 Financial Assistance Grant from the Commonwealth government of \$2.16m which was required to be recognised in the 2014-15 accounts.
Stability							
Rates concentration							
61 Rates compared to adjusted underlying revenue [Rate revenue / Adjusted underlying revenue] x100	53.66%	60.33%	58.66%	58.59%	59.22%	59.84%	The Commonwealth Government paid approximately half of the 2015/16 Financial Assistance Grant on the 30th June 2015. This resulted in the amount being reported in the 2014/15 financial year resulting in a large budget variation in both the 2014/15 and 2015/16 reporting periods due to timing differences.
Rates effort							
62 Rates compared to property values [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.43%	0.46%	0.40%	0.40%	0.40%	0.50%	No material variations for 2015/16.

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: 26/09/16
Alexandra

In our opinion, the accompanying performance statement of Murrumbidgee Shire Council for the year ended 30 June 2016 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.

Margaret Rae
Mayor

Date: 26/9/16
Alexandra

John Kennedy
Councillor

Date: 26/9/16
Alexandra

Margaret Abbey
Chief Executive Officer

Date: 26/9/16
Alexandra

INDEPENDENT AUDITOR'S REPORT

To the Councillors, Murrindindi Shire Council

The Performance Statement

I have audited the accompanying performance statement for the year ended 30 June 2016 of the Murrindindi Shire Council which comprises the statement, the related notes and the certification of the performance statement.

The Councillors' Responsibility for the Performance Statement

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

Auditor's Responsibility

As required by the *Local Government Act 1989*, my responsibility is to express an opinion on the performance statement based on the audit, which has been conducted in accordance with Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the performance statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the performance statement. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the performance statement, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the performance statement 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 entity's internal control. An audit also includes evaluating the overall presentation of the performance statement.

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

Independent Auditor's Report (continued)

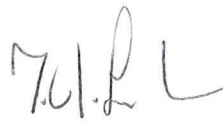
Independence

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, I and my staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

Auditor's Opinion

In my opinion, the performance statement of the Murrindindi Shire Council in respect of the 30 June 2016 financial year presents fairly, in all material respects, in accordance with the *Local Government Act 1989*.

MELBOURNE
28 September 2016


R Andrew Greaves
Auditor-General