

# ANNUAL REPORT 2015-2016



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# ABOUT THIS REPORT

## INTRODUCTION

Welcome to the 2015/16 Annual Report of Southern Grampians Shire Council. This report provides a comprehensive account of Council's achievements, challenges and aspirations for the future.

It details our performance against our commitments as set out in the Council Plan 2013-17 and provides an analysis of our financial performance. This report also demonstrates the breadth of our operations and the diversity of services delivered on a daily basis to the Southern Grampians community.

We hope you enjoy reading about the journey of Southern Grampians Shire across 2015/16.

## WHY WE HAVE AN ANNUAL REPORT

The Annual Report is presented to Council and the community at a Meeting of Council held in October each year. Our Annual Report caters for a wide readership and is intended as a point of reference for residents, businesses of the Shire, visitors, investors, community organisations and government departments. The report also provides Council staff with a picture of how they have performed and contributed to the community that we live in over the past twelve months.

## NAVIGATING THE DOCUMENT

This Annual Report comprises three main sections. The first section provides an overview of our achievements, challenges and financial performance, including a message from our Mayor and Chief Executive Officer.

The main body of the report provides an overview of who we are, the issues faced by Southern Grampians, where we are headed in the future and our performance in detail against our five strategic objectives.

This includes the results against our key strategic activities and key performance indicators.

The final section of this report provides a detailed account of our financial performance. For more information on our financials please refer to pages 86-139.

## WHERE TO GET A COPY

To obtain a hardcopy of the Annual Report, please contact Council's Brown Street Customer Service Centre on the details below.

The content of this Annual Report is reviewed each year and your feedback is invited and can be completed via email: [council@sthgrampians.vic.gov.au](mailto:council@sthgrampians.vic.gov.au) or by a letter addressed to:

Chief Executive Officer  
Southern Grampians Shire Council  
Locked Bag 685, Hamilton VIC 3300

## COUNCIL OFFICES

### **Brown Street Business Centre**

111 Brown Street, Hamilton  
Phone: (03) 5573 0444  
Fax: (03) 5572 2910

### **Market Place Office**

1 Market Place  
Phone: (03) 5573 0256  
Fax: (03) 5571 1068  
Email: [council@sthgrampians.vic.gov.au](mailto:council@sthgrampians.vic.gov.au)  
Web: [www.sthgrampians.vic.gov.au](http://www.sthgrampians.vic.gov.au)

### **Postal address**

Locked Bag 685  
Hamilton VIC 3000

# PURPOSE

## OUR VISION

To be Australia's most liveable provincial community.

## OUR MISSION

Our aim, as both elected representatives and officers of the Council, is to work together collaboratively to serve our community and achieve our liveability vision.

## OUR VALUES

Southern Grampians has a clear strength in the bond and affinity between its Councillors, the community and staff. Staff support the community leadership and governance role of Councillors, and work together to achieve the commitments of the Council Plan.

Having all Southern Grampians staff and Councillors practise the following organisational values, which were identified by staff and Councillors as being of the highest importance, will enhance the quality of this partnership.

## **Working together**

We share our skills, knowledge and experience as part of a team and work together towards achieving Council's goals.

## **Integrity**

We are open and honest and work to the best of our ability.

## **Respect**

We acknowledge the opinions of others and their rights and differences.

## **Innovation**

We encourage and seek new ideas in finding solutions.

## **Vision**

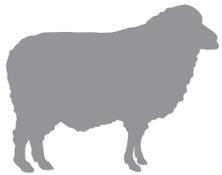
We will be forward looking working towards a common goal.

## **Pride**

We value the work that we complete and aim to complete this to the best of our abilities.



# FAST FACTS



998,439 SHEEP AND LAMBS SOLD AT THE HAMILTON REGIONAL LIVESTOCK EXCHANGE



3,204 ANIMALS REGISTERED



145 CHILDREN

ENROLLED IN FAMILY DAY CARE

20,007

MEALS DELIVERED BY MEAL ON WHEELS VOLUNTEERS



133.22 KILOMETRES OF FOOTPATHS MAINTAINED



1,300 ANIMAL MANAGEMENT REQUESTS RECEIVED BY LOCAL LAWS RANGERS

90,632 VISITS

TO THE HAMILTON AND MOBILE LIBRARIES



10,888 RATEABLE PROPERTIES



39,982 CATTLE SOLD AT THE HAMILTON REGIONAL LIVESTOCK EXCHANGE



223,651

ATTENDEES AT INDOOR AQUATIC FACILITIES

122 PLANNING APPLICATIONS RECEIVED



131,996 SQUARE METRES OF SEALED LOCAL ROADS RECONSTRUCTED



1,012 IMMUNISATIONS ADMINISTERED TO CHILDREN AGED 0-6 YEARS THROUGH THE MATERNAL AND CHILD HEALTH SERVICE



19,187 HOURS OF DOMESTIC, PERSONAL AND RESPITE CARE DELIVERED



2,545 LIBRARY MEMBERS

# MAYOR'S REPORT

The 2015/16 year has been a year of significant change for Southern Grampians Shire Council.

October saw the resignation of Chief Executive Officer Richard Perry after seven years of service. Many of our current major projects, including the Hamilton Airport Redevelopment, the Livestock Exchange Refurbishment and the proposed meat processing plant for Hamilton have all been made possible thanks to Richard's focus on forward strategic planning. We wish Richard well for the future and thank him for his service to the Council.

I also wish to thank Bruce Davidson who took on the position of Interim CEO as we set about recruiting for a new CEO. His humour and his ability to galvanise the staff as a team during a time of significant change was much appreciated. We wish him well as he returns to his home town of Noosa.

After an extensive search, we welcome our new CEO Michael Tudball to the organisation. Michael comes to us from the role of Economic Development Manager at Melton and also has a background in private industry as well as experience with the Moorabool Council as both a Councillor and Mayor. We look forward to working with Michael during his term as CEO to successfully serve and grow the community of Southern Grampians Shire.

This year has seen the completion of two of this Council's major infrastructure projects:

The redevelopment of the Hamilton Airport and the runway extension is a major success for this Council and will bring many economic opportunities for Southern Grampians Shire. The extended runway allows for larger aircraft, both passenger and commercial to land, increasing potential usage for this strategic asset, particularly by the CFA. Fire-bombing aircraft are now an integral part of the fire attack for our region during summer and we are proud that our facility is able to assist the region in this way. Council also continues to advocate strongly for the return of passenger air in Hamilton.



Stage One of the Hamilton Regional Livestock Exchange Redevelopment was completed in October 2015 and the second stage, currently underway, is expected to be complete in September 2016. The project promises huge economic and social benefits for the Greater Hamilton region and would not have been possible without \$1.9 million in funding from the Federal Government's National Stronger Regions Fund. We thank the Federal Government and Minister Dan Tehan for his support for this significant project for our region.

The next challenge I see is advocating for significant investment in our country roads. Country Victoria desperately needs funding to fix arterial roads to support our increasing export trade. We need a multi-million dollar investment in our State's major highways to efficiently and safely get our produce and goods to market.

Major emphasis has been placed on economic and population growth in our Shire as we strive to better position ourselves and promote awareness of our role and capacity as a major regional centre. The development of a set of Advocacy Priorities in 2014 that aimed to solidify and plan for that vision is certainly one of the successes for this Council. We are now starting to see the fruits of this planning and advocacy. Hamilton is a major regional

# MAYOR'S REPORT

centre that provides services, cultural facilities and economic activity across the whole of south west Victoria with major infrastructure development opportunities. We will continue to work hard to develop the projects to stimulate employment, population growth and economic development that support regional and State government policy implementation

This four-year term, has truly been a team effort between residents, staff and councillors.

My sincere personal thanks go to the community for caring about our Shire. No place can be its best without committed and compassionate people coming together and focusing on common goals. Our community continue to make the Southern Grampians Shire a wonderful place for us all to call home.

We are also fortunate to have committed employees in this organisation, and every day we see the results of their commitment to delivering excellent services to our residents.

We have dealt with a particularly difficult fiscal environment in the last few years with the repayment of the unfunded superannuation liability, the freezing of Federal Government Financial Assistance Grants and now rate capping. This has challenged Council and staff to be more creative and resourceful. Council has avoided applying for a rate capping exemption in 2016/17 because of this work and the community continues to enjoy the delivery of quality services. This is something of which we are particularly proud.

Finally, as we approach the end of our term, I would like to thank my colleagues, in particular my Mayoral predecessor Councillor Calvano, for their hard work and dedication and commitment to our shire and our residents. I believe we hand over to a new Council, leaving the Shire and the organisation in a strong position and that we should be proud of what we have been able to achieve.



Mayor Cr Peter Dark



Mayor Peter Dark welcomes new Australians in citizenship ceremony

# CEO'S REPORT

It is with great pleasure that I present the year in review for the Southern Grampians Shire Council through the 2015/16 Annual Report.

I had the privilege of being appointed as the Chief Executive Officer in March 2016 and can highlight the Council achievements in the past year and outline the opportunities for the year ahead.

The organisation led by the elected Council has implemented and embedded community engagement and planning through our Community Planning program. I have been amazed by the level of engagement and cooperation from all of our communities outside of Hamilton in the initiative, particularly with the community priorities being led by the community and supported by Council.

An opportunity looking forward is to develop and implement a community engagement model for Hamilton. A town with a large population such as Hamilton provides different challenges but great opportunities for us to engage with and support in developing community priorities. Council will be putting energies and strategies into place to develop this in the coming year whilst continuing and enhancing the program in the townships outside of Hamilton.

In a very tight fiscal environment, with pressures internally from costs and externally restricting Council's ability to raise revenue, much work has gone into our financial position and the organisation is to be congratulated on this effort and the approach from the Council to 'live within our means'. Our financial accounts reflect the strong position of Council leading into the 2016/17 year.

The challenges for 2016/17 and beyond will be to maintain our service levels to community expectations within the financial constraints and also deliver significant capital works to maintain Councils asset base in roads, buildings and other physical assets. This will be the subject of significant work in the next year and a partnership approach with both the community

and other levels of government will be critical.

During the past year, Council has reviewed many of our Services and each of these reviews is presented to Council for assessment and decision on service levels, budget and resources and the future demand or requirement. This should ensure that our services remain relevant, cost-effective and ensure they continue to meet community needs and expectations.

Our service planning program itself has been reviewed in 2015/16 and will be ramped up to enable rolling service reviews every three years of each service Council provides. This is not only best practice, but in this constantly changing environment, ensures Council and the community have the best available data for each and every service to inform the future decision making on service provision and service delivery.

The past year has seen much change internally for the Southern Grampians Shire Council. Along with the resignation of the CEO, we said good bye to Director Shire infrastructure Kevin O'Brien in January and Director Shire Services Bronwyn Herbert in April. I acknowledge and thank the three departing members of the executive team for their respective contributions to the Southern Grampians Shire. We welcomed David Moloney to the role of Director Infrastructure in May and look forward to the commencement of our new Director Community and Corporate Services, Evelyn Arnold in September 2016.

With change there is uncertainty both internally and externally. The second half of 2015/16 has seen the commencement of changes to ensure the organisation is focused, adequately resourced and structured to deliver on the current Council Plan and community expectations.

The next 12 months will see further organisational change, including a review and an alignment of the structure to the prioritised strategies and plans under a new Council

# CEO'S REPORT

following October 2016 Council elections. The organisation will be supporting the introduction of a new Council and ensuring we are well placed to deliver on the new Council Plan in 2017.

In closing, can I acknowledge the significant commitment from our organisation and of our elected Councillors. Whilst only here for a short time personally, this Council in the past four years has delivered significant services and initiatives into and on behalf of the local community. I thank all Councillors and the two Mayors of this term, Cr Albert Calvano and Cr Peter Dark for their leadership to the Council and community.

There are both exciting and challenging times ahead for us all and working together, respecting each other's roles and responsibilities and understanding different perspectives will enable us to progress positively into the future. I look forward to being part of it.



**Michael Tudball**



CEO Michael Tudball  
with WDHS CEO  
Rohan Fitzgerald

# YEAR AT A GLANCE

Southern Grampians Shire Council's performance reporting is based on five Strategic Objectives that are outlined in the Southern Grampians Shire Council Plan 2013-2017. Each Strategic Objective has a set of strategies that we want to achieve and how we will achieve them, which guides our actions during the year.

These highlights contain a snapshot of our performance for the year for each Strategic Objective with more detailed information from pages 43 to 71. The Southern Grampians Shire Council Plan 2013-2017 is available from our website [www.sthgrampians.vic.gov.au](http://www.sthgrampians.vic.gov.au)

## HIGHLIGHTS

### Strategic Objective: **Leadership and Good Governance**

We will maintain an understanding of issues of local importance and provide leadership in tackling them. Where appropriate, we will advocate on behalf of our community and ensure that our community is represented in debates which affect us.

#### Highlights

- Adoption of New Community Local Law
- Adoption of the Decision Making and Good Governance Paper
- Improved results in the Community Satisfaction Survey in the area of decision making
- Well received community engagement session on draft budget
- Appointment of new CEO Michael Tudball in March
- Appointment of new Director Shire Infrastructure, David Moloney in May

Mayor Peter Dark with  
Member for Western  
Victoria Simon Ramsay



# YEAR AT A GLANCE

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## Strategic Objective:

### Foster Population and Economic Growth

We are committed to the encouragement of population growth and increasing investment opportunities within the region. Our Economic Development Strategy 2011-21 is formulated with this aim and reinforces the vision of becoming Australia's most liveable provincial community to attract people and funding, which will in turn create amenity and generate investment.

## Highlights

- Adoption of the Digital Strategy
- Tarrington Structure Plan approved by Planning Minister
- Adoption of Cox Street Streetscape Design
- Completion of the Hamilton Airport redevelopment and runway extension
- Installation of Greater Hamilton signage in townships across the Shire
- Approval of planning permit to build meat processing facility in Hamilton
- Greater Hamilton Community and Events forum held in June 2016
- Completion of stage one of the Hamilton Livestock Exchange Redevelopment and commencement of stage two

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## Strategic Objective:

### Enhance Wellbeing and Culture

We recognise the importance of the provision of quality health, leisure, education and cultural services as important for businesses and individuals when making a decision on where to invest or live. Council is committed to ensuring that those services provided directly remain real competitive strengths and that strong relationships are maintained with external providers of these services.



## Highlights

- Commenced early years' literacy project 'Growing Greater Readers' as part of the local action group for the regional Beyond the Bell program
- Launched the Learner to Probationary (L2P) Driver mentoring program in association with the TAC and VicRoads to support young people to get the required 120 hours driver training
- Held Crazy Ideas College to engage and involve young people in decision making Collaborated with Western District Health Service and Southern Grampians and Glenelg Primary Care Partnership on GenR8 change project to create sustainable health and wellbeing outcomes throughout the Southern Grampians community
- Appointment of new Gallery Director, Sarah Schmidt
- Completion of minor renewal works in Hamilton Art Gallery including painting and replacement carpet and lighting
- Completion of key recreation projects - the Pedrina Park changerooms and the Balmoral Swimming Pool changerooms

# YEAR AT A GLANCE

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## Strategic Objective: **Help Communities Feel Dynamic and Resilient**

We recognise the importance of community safety and will undertake actions related to partnerships, community strengthening, safe and healthy urban environments, safer roads and prevention of alcohol-related harm and family violence. Creation of a dynamic community will be achieved through support of smaller towns and integrated planning.

### Highlights

- Commencement of \$750,000 project to upgrade and rehabilitate bridges across Shire
- \$400,000 investment in footpaths across the Shire, increasing safety for residents and visitors
- Review of the Community Engagement position with the role being made permanent in the 2016/17 budget with the continued planning for an annual engagement program for Council and community
- Completion of Tarrington Community Plan in early 2016
- Commencement of Dunkled Community Plan after a successful community planning forum in April
- Completion of the Balmoral public amenities project
- Commencement of works identified in the Hamilton Botanic Gardens Masterplan, including an implementing an improved tree management system



# YEAR AT A GLANCE

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## Strategic Objective:

### Manage Environmental Security

Protection, efficient use and enhancement of natural assets to support economic growth will be a priority for Council. Council's Sustainability Strategy 2010-2020 (adopted April 2010) provides a shared vision and framework for addressing environmental sustainability issues and commits Council to working closely with its State and Federal partners and community groups to reduce negative impacts on the environment.

### Highlights

- Held the third Sustainability Expo in May 2016 which included hands-on workshops, a dinner and guided walk in the bandicoot enclosure and a series of seminars and a range of exhibitors displaying sustainability products and services
- Developed and distributed the first comprehensive Waste Services Guide for Council
- Replaced the incandescent spot lights in the Hamilton Gallery with LED alternatives which will provide a 35% reduction in electricity usage
- Began work to develop a Climate Change Adaptation Plan that will identify our main climate change-related risks and the actions

### CHALLENGES OF THE YEAR

- Street Tree Management across the Shire
- Navigating major organisational change
- Aged Care Reforms
- Loss of Country Roads and Bridges funding from the State Government
- Difficulty in attracting suitable candidates to the Planning function
- Community satisfaction and engagement, particularly in Hamilton

- Complexity of applying policy and maintaining services in a tight fiscal environment
- Introduction of rate capping

### FUTURE OUTLOOK

- Organisational restructure to better align directorates and reporting lines with Council Plan
- Election of new Council
- Development of a new Council Plan
- Lead the development of new Municipal Health and Wellbeing Plan
- Consultancy underway to conduct a financial analysis of waste services, due to be completed by late 2016
- Consultancy underway to investigate the viability of establishing a local green/organic waste facility
- Development of a new Roads Management plan
- Development of Communications and Community Engagement Strategy
- Launch of new Council website
- Plan for the release of serviced industrial land
- Commence masterplanning for cultural facilities upgrade
- Explore regional opportunities for innovative resource recovery
- Complete and adopt Climate Change Mitigation and Adaptation Study
- Monitor and Respond to Aged Care Reforms

# SERVICES PROVIDED TO THE COMMUNITY

Council is responsible for delivering more than 55 services to the Southern Grampians community.

This includes everything from family and children's services, recreation management, community facilities, waste management, roads maintenance and community building; to business development, planning for appropriate development, major infrastructure projects and ensuring accountability for Council's budget.

As well as implementing various Commonwealth and State Government programs, Council also provides a range of discretionary services in response to local community needs.

In order to best use limited resources to provide effective local government and services for the community, Council undertakes extensive strategic planning across all areas of service delivery. The result is a multitude of plans and strategies, usually prepared in consultation with the community. Some are required by legislation or a funding agreement, others are

initiatives of Council. These might have quite different purposes or subjects, for example, focusing on a population group such as cultural diversity, positive ageing or youth plan, or focusing on specific services such as leisure, recreation or economic development.

This broad range of community services and infrastructure for residents, supports the wellbeing and prosperity of our community. Council's vision, strategic objectives and strategies to further improve services and facilities are described in our Council Plan June 2013-2017, the Annual Budget, the Strategic Resource Plan and reported upon in this document.

Council, as part of establishing its Strategic Resource Plan, revises its borrowing strategy, asset management, capital investment, discretionary and statutory reserves, capital works program, the range and level of services provided and the revenue-raising strategy.

A snapshot of the services provided by Council and their costs are shown below:

## EVERY \$100 SPENT ON COUNCIL SERVICES IS ALLOCATED TO THESE AREAS:



Capital Works  
**\$41.53**



Business Enterprises  
**\$1.69**



Regulatory & Compliance  
**\$2.73**



Infrastructure  
**\$11.90**



Community Development  
**\$0.98**



Community Services  
**\$9.45**



Leisure  
**\$10.29**



Economic Development & Tourism  
**\$3.74**



Planning & Environment  
**\$3.73**



Waste  
**\$6.97**



Emergency Management  
**\$0.76**



Cultural Services  
**\$6.23**

# FINANCIAL SUMMARY

## INTRODUCTION

Council has a Strategic Resource Plan which outlines how the objectives of the Council Plan 2016-2020 will be resourced.

The key objectives of this Plan are:

- Maintain the existing range and level of service provision and improve the understanding of the range and levels of service provided
  - Maintain a viable cash position, ensuring Council remains financially sustainable in the long-term
  - Achieve operating statement surpluses with the exclusion of all nonoperational items such as granted assets and capital income within the 10 year timeframe of the long-term financial plan
  - Maintain debt levels below prudential guidelines
  - Continue to pursue recurrent grant funding for strategic capital projects from the State and Federal government
- Provide for rate increases that establishes a funding level for renewal demand being invested at 80 percent with a further 10 percent towards upgrade and expansion.

## FINANCIAL RESULTS AT A GLANCE

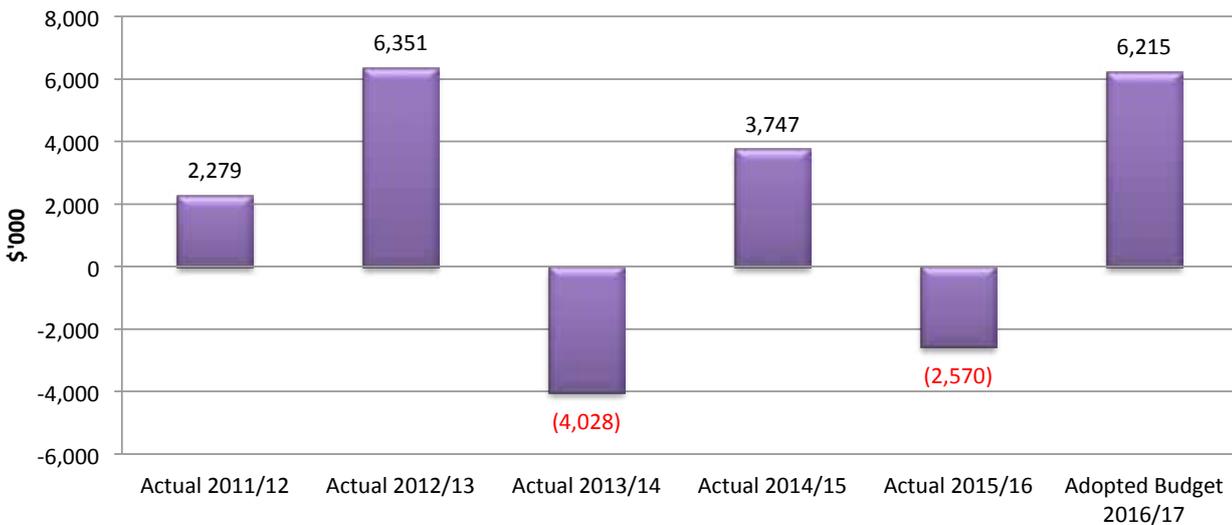
- Operating Expenditure - \$41.207 million
- Capital Works Program Delivered - \$11.404 million
- Rates and Charges - \$18.434 million
- Operating Deficit - \$2.570 million
- Net Funds Available - \$12.115 million
- Working Capital - \$1.95 of current assets for every \$1.00 of current liabilities
- Debt decrease of \$334,000 from \$3.335 million to \$3.001 million



# FINANCIAL SUMMARY

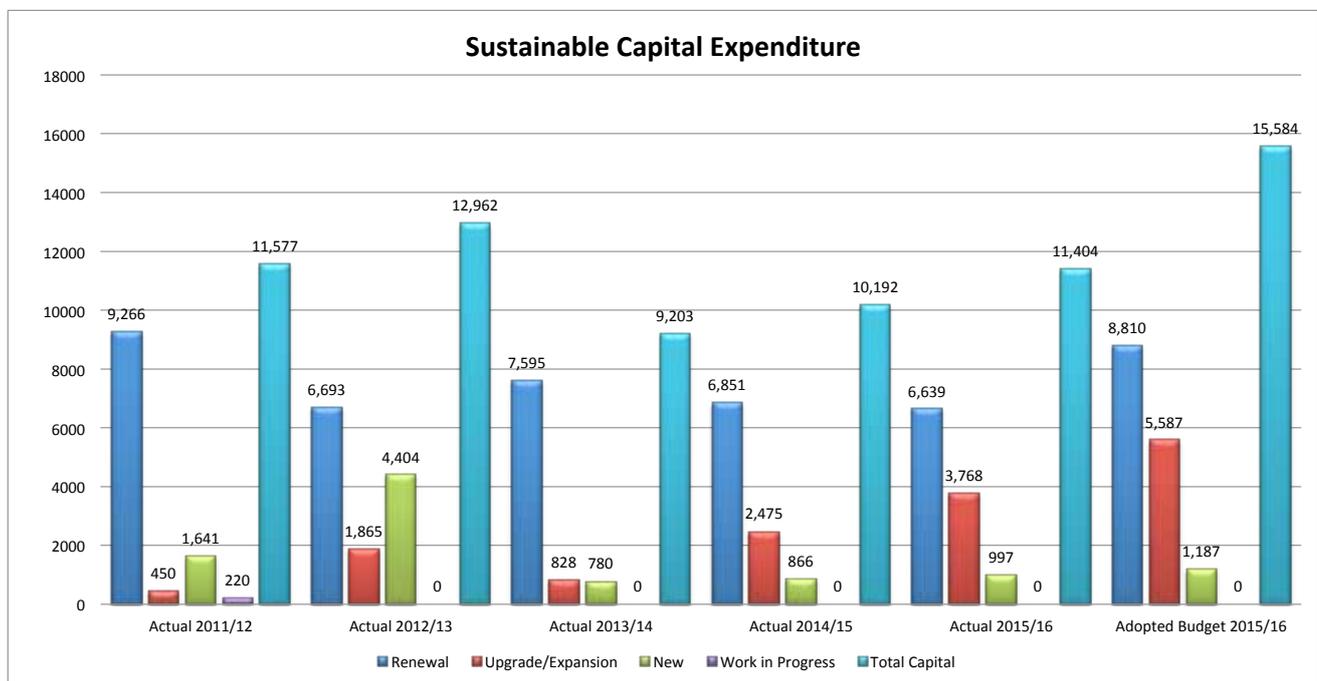
## NET OPERATING RESULT

The operating deficit in 2015/16 was (\$2.570) million compared to a budgeted \$5.587 million surplus. The operating deficit was a result of increased depreciation of \$1.48 million, asset write-offs due to capital upgrades of \$2.42 million and a Victorian Grants Commission payment made in 2014/15 that was budgeted in 2015/16. Council's long term financial plan demonstrates modest operating surplus in the next 5 years.



## SUSTAINABLE CAPITAL EXPENDITURE

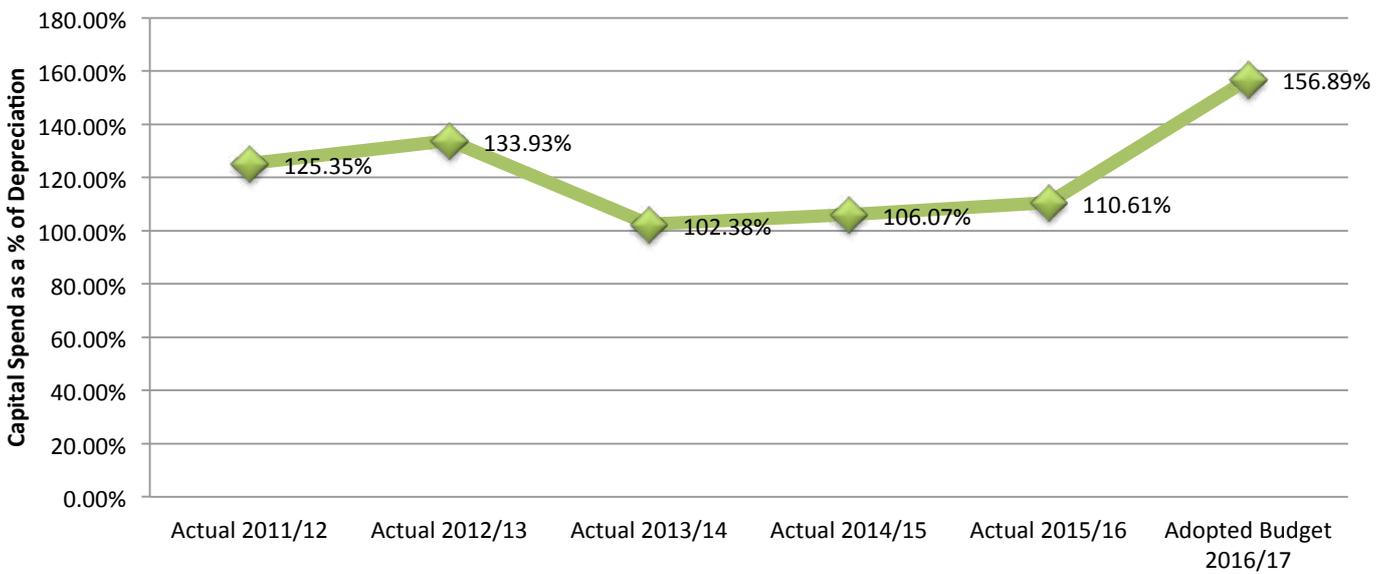
Council continues to invest in renewing and revitalising its assets. Council spent \$11.404 million on Capital works in 2015/16 with an average spend in excess of \$11 million for the past 5 years. Of this amount Council spent 66 percent of capital expenditure on the renewal of assets with the remaining capital funds being expended on the upgrade/expansion of existing assets or new assets.



# FINANCIAL SUMMARY

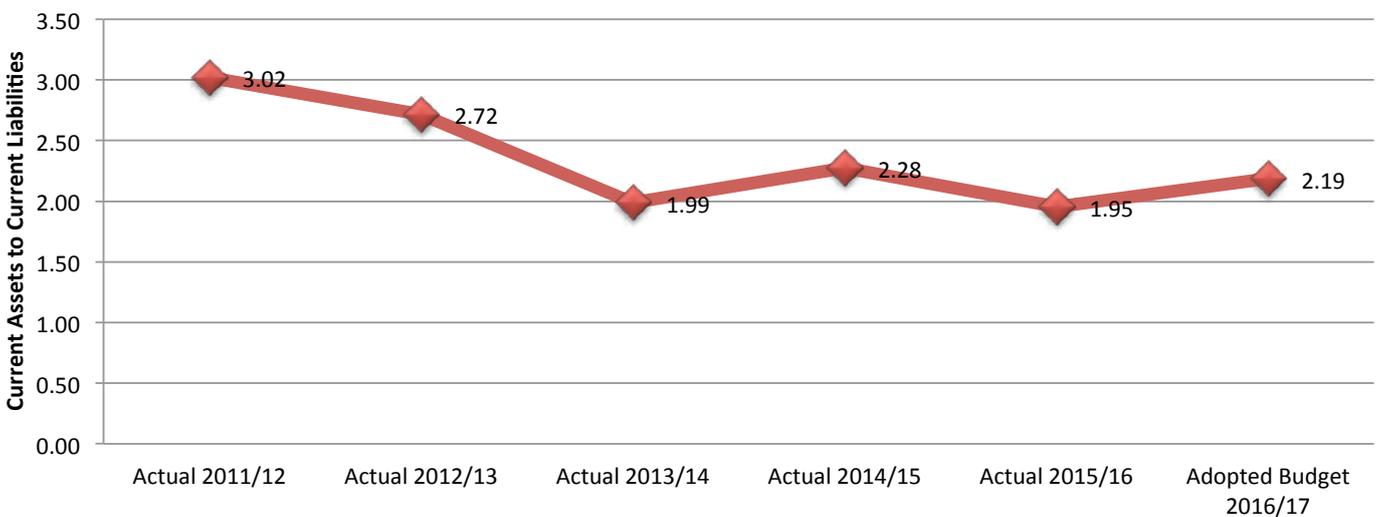
## RATIO OF CAPITAL EXPENDITURE TO DEPRECIATION

A ratio of capital expenditure to depreciation of greater than one hundred percent indicates that Council is spending more on replacing assets than it is consuming during the period. Council achieved 111 percent for 2015/16. However, it should be noted some of the works completed are for new assets which will increase the level of depreciation into the future.



## WORKING CAPITAL

This graph indicates Council's ability to meet its short term commitments with its short-term assets. Council ended the year with a ratio of 1.95:1 which means for every \$1 of short-term liability, Council has \$1.95 of current asset. Future working ratios are predicted to be similar enabling Council to meet its commitments as they fall due.

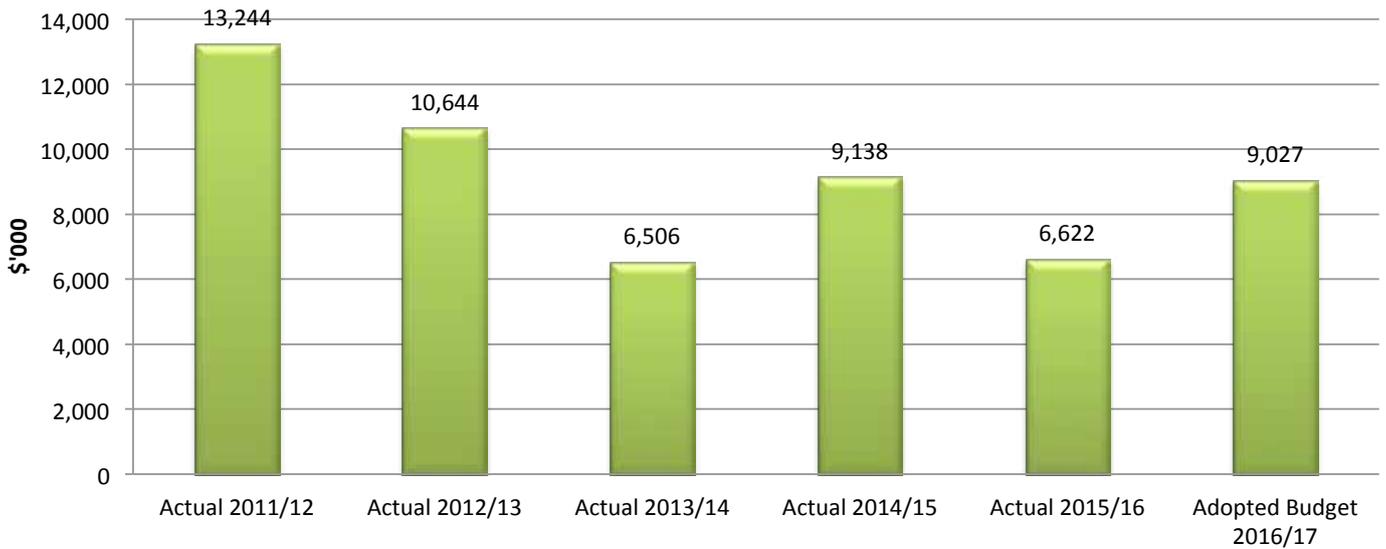


# FINANCIAL SUMMARY

## NET FUNDS AVAILABLE

Net Funds available is the remaining cash after all current liabilities and restricted cash holdings have been met. Restricted cash includes specific purpose reserves, trust and deposit accounts.

Council's remains in a strong cash position for 2016/17.

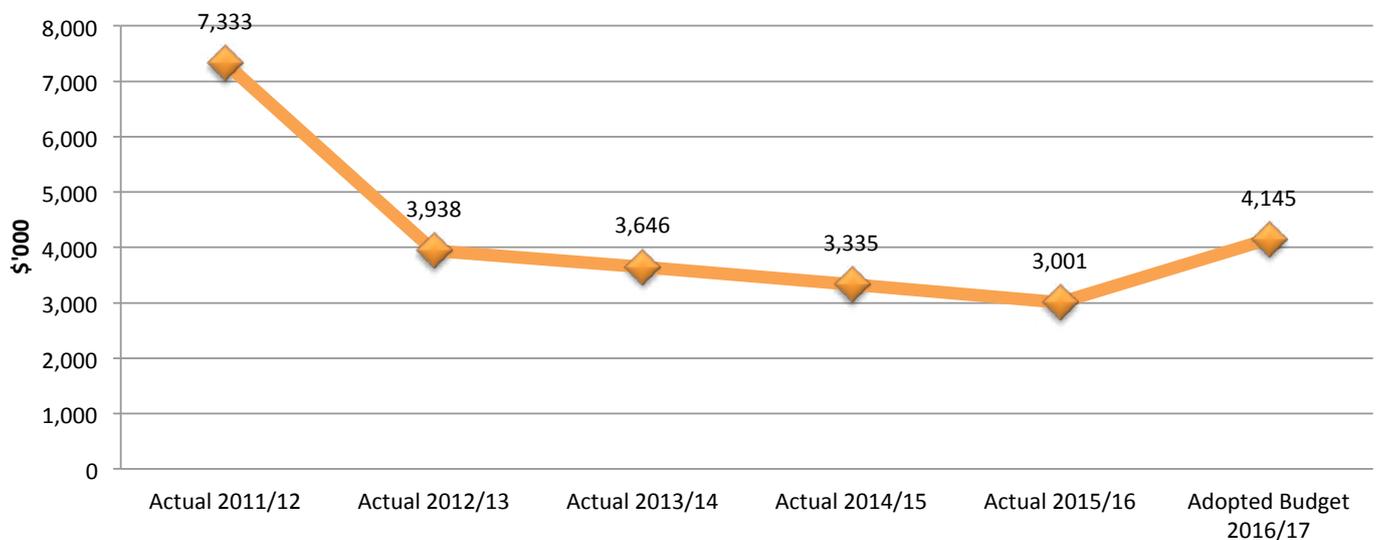


## DEBT LEVELS

Council has decreased debt by \$334,000 in 2015/16.

Council has a policy to only borrow for intergenerational assets, where business case analysis deems this to be the most prudent financial choice for funding the asset.

Council's long-term financial plan includes assumptions about future borrowings.



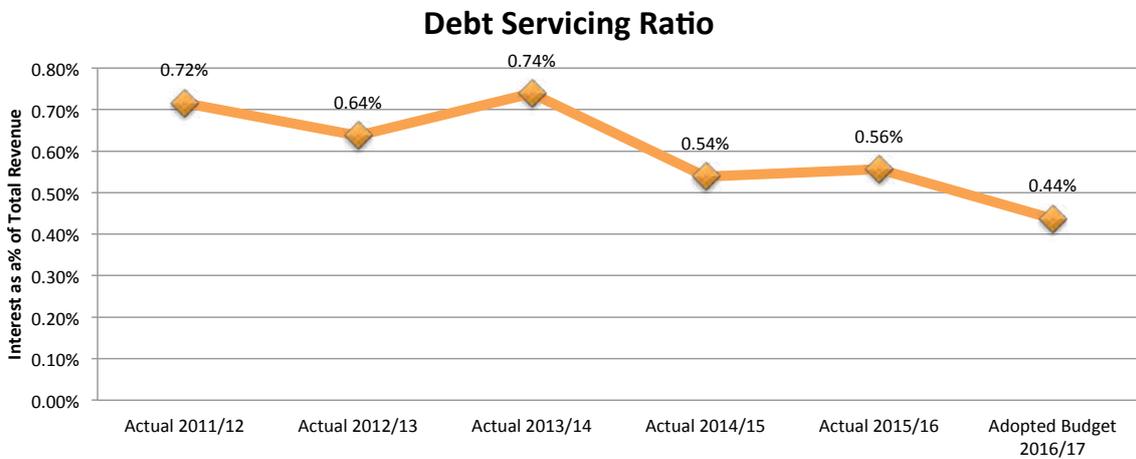
# FINANCIAL SUMMARY

## DEBT SERVICING LEVELS

For the past four years Council has maintained a debt servicing ratio of less than one percent. This means that less than one percent of total revenue is used for interest payments relating to the consumption of debt.

Council's Debt Commitment Ratio – which is total debt servicing and debt redemption as a percentage of annual rate revenue is 2.98 percent (1.42 percent of total revenue) for 2015/16.

These ratios indicate Council is in a sound financial position.





# OUR MAJOR SUCCESSES

## **Saleyards Redevelopment - Stage One**

Stage One of the Hamilton Regional Livestock Exchange Redevelopment was completed in October 2015.

The redevelopment works form part of the Hamilton Regional Livestock Exchange Master plan and began in June 2015.

The \$2.6 million upgrade included new sheep pens with concrete floor, extensive roofing, new concreted auctioneer walkways and improved loading and unloading facilities which meet the latest industry standards.

The second stage of the project, currently underway, and due for completion in late 2016, will see the remainder of the overhead roofing across sheep sale yards finished, more new sheep pens, as well as asphaltting of the car park and upgrading of the canteen facilities.

The redevelopment is a priority project for Council and promises huge economic and social benefits for the Greater Hamilton region. It will also derive operational, structural, environmental and animal welfare benefits and improve OH&S and regional competition. In particular, it will result in a more attractive venue for selling of livestock, harvesting of water reducing reliance on town and bore water and enhanced buildings. It is anticipated that sheep throughput numbers will increase as a result.

The Hamilton Regional Livestock Exchange is one of Australia's busiest with approximately one million sheep and 50,000 cattle being sold annually.

## **Digital Strategy Adoption**

In 2015, the Council collaborated with Glenelg Shire to develop a digital strategy in a bid to maximise the full potential of Australia's emergent digital economy as a result of the NBN roll-out. The introduction of fast speed downloads presents transformative opportunities for the communities and economies of Southern Grampians and Glenelg Shires. The Strategy was developed by

Geografia and adopted by Council, to ensure the Councils are in a position to leverage those opportunities.

Regional Development Victoria provided \$60,000 funding to undertake the project which analysed the community's current digital capabilities through online surveys and a series of face to face workshops.

The digital strategy details what the digital economy is, the potential impacts and opportunities and examines the existing local digital environment. It explores business, industry and community's digital capacity, discusses the leadership opportunities for Council and provides a strategic direction for both regions to fully maximise the full potential in embracing Australia's Digital Economy.

A series of key focus areas have been identified which, together with a channel strategy, will direct the priorities for each region over the next ten years. There will be extensive and varied community engagement during the various stages of program implementation.

## **Hamilton Airport Extension and Redevelopment**

The Hamilton Airport Runway Extension project was finished in late 2015.

Following significant work in the design and development of the project, works commenced in October 2015. The completion of this project sees an additional 300m of sealed runway surface and a runway end turnaround to allow larger aircraft to use the airport. The new runway and apron lighting, which meet current Civil Aviation Safety Authority standards, improve airport safety and lighting reliability.

The runway extension allows the safer operations of the CFA Fire Bombing service during fire season and it provides the Greater Hamilton region with an improved asset to further attract business and tourism operators to the region.

Further redevelopment works were completed

# OUR MAJOR SUCCESSES

at the airport in June 2016, including upgrading the main entrance/exit road, extension of the carpark and general landscaping.

The runway extension project was one of the actions recommended in the Hamilton Airport Masterplan, adopted by Council in March 2011 and is also part of the Council Plan 2013-17. The master plan is designed to stimulate tourism and other economic activity and bring the facilities up to contemporary aviation standards, while meeting emergency service requirements and better utilising Council's strategic asset.

Funding for the project was achieved from several sources including the Regional Aviation Fund, Regional Development Victoria, the Local Government Infrastructure fund and Council.

## **Pedrina Park Changeroom Project**

New change rooms with a difference were built at the Pedrina Park sporting complex in 2016. When looking around for ways to deliver a high-quality, multipurpose changerroom facility within a tight budget, the idea was floated to explore the repurposing of old shipping containers. A local architect was consulted to draw up some plans and, after some initial difficulty convincing the funding bodies and sporting agencies, the designs were approved.

In the unique design, the first of its kind at a Victoria sporting oval, eight shipping containers have been used to create new clubrooms with a canteen, two change rooms, public toilets, first aid room and an umpire's room all included in the design.



# OUR MAJOR SUCCESSES

The building has been lined with Colorbond and the interior has been fully lined and fitted out.

The project involved hard work and dedication from many community members in this project, with tradesman volunteering their time with plumbing and electrical work, to the students from the Skills Centre who helped with the demolition and fit out, to the Hamilton Football Club and AFL Western Victoria who helped with the working bee to finish the exterior painting and landscaping.

The changerooms were officially opened in April 2016.

## Digital First

Council launched several digital initiatives in 2015/16 which seek to increase transparency of Council data and improve access to information about the Shire.

An 'Online Mapping' system is available through a link from the main website; <http://www.sthgrampians.vic.gov.au/>. This application by IntraMaps is a great way for people to easily access information about properties and locations within Southern Grampians Shire through a map portal. Most of the information is already accessible through the public domain. The information can be accessed by simply selecting a feature or by using the search function.



The new changerooms at Pedrina Park were officially opened in April 2016

# OUR MAJOR SUCCESSES

Intramaps can be used to access information such as:

- Up to date aerial photography
- Land information on property, title and address details
- Planning zone information
- Waste collection zones
- Road management
- Public transport
- Community facilities as churches or schools
- Measurement tools

Another digital initiative which Council embarked on in 2015/16 was the publishing of Open Data.

By removing the barriers for innovative use and reuse of government data, opportunities can be provided for the commercial, research and community sectors to use Council data to add value. This can assist the community in making better evidence-based policy and service delivery decisions, and support increased citizen participation in government.

Council now has mapping data available on a range of locally managed assets including sports grounds, camping sites, footpaths, and road management amongst others. The public release of this information aims to create opportunities for innovative use and reuse of data, and allows the commercial, research and community sectors to add value. The information is free for anyone wishing to view, print, or share the information.

Southern Grampians is now leading the way among Councils in Victoria in the publishing of open data.

Open Data fosters greater transparency and accountability, to drive innovation and economic opportunities and, at the same time, create a more cost effective, efficient and responsive government.

## **Community Arts Event – Ansett Aflight**

The Ansett Aflight! Festival of Live Art was held in April 2016. Planned in conjunction with the 80th birthday celebrations of Ansett Airways, the event was proposed by former Hamilton Performing Arts Centre (PAC) Manager Ken Cameron as a way to reach the areas of the community that the traditional PAC programming did not extend.

Over 650 people attended the event, which included a street parade featuring the majestic singing of soprano Isabel Hertaeg. More than 250 people took one or more “Flights” into the site and over 120 people enjoyed the musical performances by local acts late into the evening.

There were 23 local and regional artists and performers who were engaged to work in the many and varied art forms represented throughout the event. A staggering 250 community volunteers attended workshops, performed in or assisted in some way with the project which undoubtedly contributed to its success.

The Ansett Aflight! Festival of Live Art captured the imagination and support of the community. It was a unique and original arts event, which broke down social barriers and was enjoyed by all who attended. Council were proud to be able to employ and provide opportunities for local artists and artisans to show off their talents and also to engage and mentor younger artists and performers.

# OUR MAJOR SUCCESSES

## Hamilton Botanic Gardens Masterplan

In 2015/16, Council implemented a number of recommendations identified in the Hamilton Botanic Gardens Masterplan, including cleaning and re-painting of the Rotunda, removal of two garden beds and restoration of these two sites to lawn areas; and erecting signage to promote and explain the Masterplan in the Gardens.

One of the key recommendations in the Masterplan was the need for an improved tree management process, including annual tree inspections by a qualified arborist. In early 2016, Council engaged the services of Aborsafe and have now begun using their tree management software to assist with scheduling of works and risk assessments for the Gardens. The software provides Council with a positive

plan for the retention and management of the trees within the gardens.

The entire site has been surveyed and each tree in the Gardens has been tagged, with 266 currently under management in the system. These trees are assessed on an annual basis by a qualified arborist, detailing each tree's attributes, hazards present and assessing the risks of injury or damage. The arborist then specifies work actions for the next 12 months for each tree and provides a timeline and budget estimate of the works required.

Work has also begun on the process of designing a new bird aviary and Council continues to liaise with the Friends of the Gardens on this important project for the Southern Grampians community.



Ansett Aflight!  
Festival of Live Art

# OUR MAJOR SUCCESSES

## Hamilton Landfill

Works continued on the development of the new landfill for Hamilton in 2015/16.

Work to complete Cell 1 and a new leachate dam commenced in 2015 and is expected to be completed later this year. The development of the new landfill is located on 17.2 ha of land immediately south of the existing landfill. The site is located adjacent to and west of a wastewater treatment facility operated by Wannon Water.

The proposed development consists of a minimum of 19 landfill cells, covering a landfill area of approximately 15 ha and providing a total airspace of 1.2 million cubic metres. Individual cells will have an expected life of around 3-4 years each.

Rehabilitation of the old landfill is divided into six stages. Stage 1 and 2 were rehabilitated in 2014/15, with Stage 3 and 4 to be completed in late 2016.

## New Director for Hamilton Gallery

October 2015 saw a change in leadership at the Hamilton Gallery for the first time in 27 years, with the appointment of Sarah Schmidt.

Sarah comes to Council with over a decade's experience in public gallery management, including as Director of a Commonwealth collection of art held by Australia Post, Director of Ararat Art Gallery and Deputy Director of the Art Gallery of Ballarat. She has also worked as a Unit Lecturer in arts management at the University of Melbourne.

The Hamilton Gallery's outstanding \$22 million art collection and her love of living in regional areas were what attracted Sarah to apply for the position as Director. She has already made significant positive change in her first six months in the role, building on the Gallery's success while planning for future growth and encouraging new patronage. Sarah will focus her energies on a Gallery redevelopment befitting the stunning decorative arts collection for which the Gallery is renowned.

## Launch of Growing Greater Readers Program

The Growing Greater Readers program was developed by 'Beyond the Bell' and launched in 2016. The program aims to facilitate change in community attitudes in the Southern Grampians that specifically encourages reading, language



# OUR MAJOR SUCCESSES

and literacy and demonstrates the benefits reading brings to education, learning, health, creativity and social connection. The project will target the provision of early reading and literacy support to young children, aged 0-5 years.

To promote early reading, 'Little Libraries' are being rolled out in various venues within the Greater Hamilton area, including HILAC, cafes and waiting areas. Families are encouraged to "take a book and leave a book" in any of the Little Libraries locations.

Reading Champions will be recruited and trained to volunteer their time to support and encourage reading and language development activities within the Southern Grampians.

Book packs and resources will be provided to families that access milestone visits through the Council's Maternal and Child Health Service. Future training will be provided for our community professionals to deliver key literacy messages to our families of young children.

The program aims to support and empower families in the Southern Grampians to contribute to their children's future and to prepare them to make the most of what our schools offer.

## ADVOCACY

In addition to its Council Plan strategic objectives, in 2014 Council identified a framework of advocacy priorities to guide the future of the Southern Grampians Shire. The large majority of advocacy projects are focused on positioning and reinforcing Hamilton's role as a regional centre. The projects identified can enhance the liveability of the region for existing and new residents and have the potential to stimulate economic activity that supports job creation.

Work continued in 2015/16 on these projects.

## Tourism

The Grampians Way project is critical to the success of the Grampians Peaks Trail and will be elevated to being Council's principal advocacy priority for Tourism. The Dunkeld to Mount Sturgeon Loop Walk was budgeted for commencement in this financial year. However, with the Grampians Peaks trail linking the Grampians National Park to Dunkeld's town centre using a similar alignment as the Loop Walk, Council is working with the Project Control Group to finalise these plans and utilise Council's financial contribution to complete the circular loop.



# OUR MAJOR SUCCESSES

## Waste Management

Council has identified and resolved to advocate on behalf of the need for more innovative solutions regarding waste water solutions in unsewered townships and is seen as a critical element in supporting population and economic growth in these townships.

## Education

It has also resolved to include the Hamilton Skill Centre as part of its Advocacy Priorities. Since then the Skills Centre has secured funding for the medium term. Education remains a priority with Council seeking to maximise the strengths of its educational institutions and the economic benefits they bring to this regional centre.

## Hamilton Botanic Gardens

The Hamilton Botanic Gardens Masterplan provides significant benefit to liveability of the Greater Hamilton Shire and its inclusion as a priority project will enhance funding opportunities identified.

## UPDATED PRIORITIES

The updated priorities listed opposite reflect the current circumstances and will evolve as developments occur.

## Connectivity

Intermodal Hub, Passenger Rail, Telecommunications, Roads, Public Transport and Alternative Heavy Vehicle Route, Murray Basin Rail project

## Agriculture

Saleyards Development

## Tourism

Grampians Way, Dunkeld – Mount Sturgeon Loop Walk, Cultural facilities

## Hamilton CBD

Hamilton Botanic Gardens, Melville Oval, CBD Master Plan/Urban Design Upgrades and Decentralisation of Government Services

## Education

Year 12 attainment, Hamilton District Skill Centre

## Health

Redevelopment of Hamilton Base Hospital, Obesity

## Environment

Small town sewerage



# COMMUNITY GRANTS

Southern Grampians Shire Council has contributed almost a quarter of a million dollars to community infrastructure, events and other initiatives in this financial year through its Greater Grants program. The projects we support help reflect the tremendous contribution made by our volunteers. These volunteers, whether they be from a sporting club, arts group, event's organisers or other community groups, are the heart and foundation of what makes the Southern Grampians Shire such a great place to live.

Council is committed to working with those volunteers and supporting them to achieve what is so important to our community.

In 2015/16, Council gave \$240,000 to community groups, events and individuals through our Greater Grants Program. Some of the community initiatives supported last year were:

- Peaks and Trails event, Dunkeld
- Byaduk Recreation Reserve Fence
- Ron Lewis Memorial Park Cavendish activation
- Purchase of waste and recycling bins and educational resources – Coleraine Primary School
- Design work for Branxholme gathering space
- Indoor Bowls Mats – Grangeburn Bowls Club
- RACV Fly the Flag tour
- Hamilton Basketball Association Junior Basketball Tournament
- Laternenfest
- St Mary's Expo
- Serra Terror
- Branxholme Hall water tank
- Dunkeld Caravan Park Office - Stage 2
- Southern Grampians and Glenelg LLEN Passport to Employment Program
- Kanawalla Rail Flora Reserve Trail Improvements



- Ansett Airways 80th Birthday Celebrations
- Hamilton Eisteddfod
- Hamilton Harness Racing Club Cup
- 4th Hamilton Girl Guides Hall – Restumping and Safety Switchboard
- Hamilton Motorcycle Club – full track underground watering system
- Hamilton Parkrun
- Defibrillator Units for Hamilton CBD
- Australian Rope Quoits Championships
- North Hamilton Kindergarten Junior Obstacle Race
- Tarrington Swamp Stomp
- South West TAFE Community Pride and Identity Mural
- Refurbishment of town walk signage Dunkeld

The Greater Grants program was established to support projects that are responsive to the needs and opportunities of the community, inclusive and equitable to all, and one that facilitated the flexible delivery of key strategies identified within the Council Plan 2013-2017 across the social, economic and environmental spectrum.

This program consolidates Council's extensive range of grant opportunities into one program to enable better integration and co-ordination of grant administration and improved marketing of those grant opportunities.

# OUR COUNCIL

## SHIRE PROFILE

Southern Grampians Shire was formed in September 1994 by the amalgamation of the former Shires of Dundas, Mt Rouse, Wannon and the City of Hamilton.

With a landscape dominated by the spectacular Grampians mountain range, ancient volcanoes, tranquil rivers and waterfalls and undulating pastoral land dotted with majestic red gums, the Southern Grampians spans the heart of Victoria's renowned 'Western District'. The Shire is located 290 kilometres west of Melbourne and 500 kilometres south east of Adelaide.

With a population of almost 16,000, Southern Grampians covers an area of 6,655 square kilometres. Hamilton is the main retail and service centre supported by the smaller towns of Balmoral, Branxholme, Byaduk, Cavendish, Coleraine, Dunkeld, Glenthompson, Peshurst and Tarrington.

Agriculture, with its associated industries, is the largest employment sector with this intensive agricultural production contributing significantly to the Victorian and Australian economies.

Our rich fertile soils and reliable water availability provide opportunities for diversification. More intensive use of land where sustainable, enhanced land management and new enterprises like mineral sands processing, horticulture, viticulture and plantation timber have the potential to boost the Shire's economy and the availability of jobs and business enterprises.

Secure water supplies in our settlements provide opportunities for industry development.

Processing, manufacturing, research and development, engineering, retail, tourism, aged and health care services and education are also important employment sectors across the Shire.

The Southern Grampians Shire has a strong sense of community with people working together to achieve common goals and outcomes. This sense of community benefits the entire municipality and Council will continue to encourage and acknowledge the community interest in the development of our Shire.



# OUR COUNCIL

## SHIRE STATISTICS

Estimated population	15751
Population density	0.02 person per hectare
Land area	6,652 km <sup>2</sup> or 655,196 hectares
Unemployment rate	3.8%
Average weekly household income	\$908
Average household	2.29 people
Rateable properties	10,888
Average rainfall (Hamilton)	686.5mm
Average min. temperature (Hamilton)	7.6°C
Average max. temperature (Hamilton)	19.1°C

## LOCATION OF THE SOUTHERN GRAMPIANS SHIRE AND THE SURROUNDING TOWNSHIPS



# OUR COUNCIL

## YOUR COUNCILLORS

Southern Grampians Shire Council is elected to provide leadership for the good governance of the municipal district and the local community under the provisions of the Local Government Act 1989.

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.
- 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.

The functions of a Council include:

- Advocating and promoting proposals which are in the best interests of the local community. Planning for and providing services and facilities for the local community.
- Providing and maintaining community infrastructure in the municipal district.

- Raising revenue to enable the Council to perform its functions.
- Making and enforcing local laws.
- Exercising, performing and discharging the duties, functions and powers of Councils under this Act and other Acts
- Any other function relating to the peace, order and good government of the municipal district.

Council is committed to good governance and that commitment is evidenced by its inclusion in our Council Plan as one of five key fundamental objectives.

On 27 October 2012, the seven Councillors of the Southern Grampians Shire Council were elected. Four were re-elected Councillors - Cr Paul Battista, Cr Albert Calvano, Cr Bruach Colliton and Cr Katrina Rainsford, and three were new Councillors – Cr Cathy Armstrong, Cr Dennis Dawson and Cr Peter Dark. The Mayor is elected annually at a special meeting. They have responsibility for setting the strategic direction for the municipality, policy development, identifying service standards and monitoring performance across the organisation.

Councillor Peter Dark was elected as Mayor in 2014, replacing Councillor Albert Calvano, and was re-elected in 2015.



**CR PETER DARK**

**Mayor from November 2014  
First elected: 2012**

Cr Dark is a farmer at Mirranatwa. Having taken a keen interest in Landcare, he served as a Board Member on the Glenelg Hopkins Catchment Management Authority for 15 years, including three years as Chairman.

He has also been a CFA volunteer for 45 years with his local brigade.

# OUR COUNCIL



**CR DENNIS DAWSON**  
**First Elected: 2012**

Cr Dawson is a long term resident of the Shire with his children successfully established in various industry, retail and service businesses within the Shire. His grandchildren enjoy the benefits of the broad range of education, recreation and lifestyle opportunities available within their respective townships.

He is semi-retired and enjoying the district's lifestyle after operating his own Private Investigation business in Victoria and Queensland for a number of years. In addition to his work as a Councillor, he is currently involved with a new start up business in Hamilton assembling and distributing advanced stock feeding systems in South West Victoria.



**CR PAUL BATTISTA**  
**First elected: 2008**  
**Re-elected: 2012**

Cr Battista is self employed and has a small business in Solar Sales and Servicing. He is a former parent member of the North Hamilton Primary School Council and held the position of Vice President for two years.

He is a volunteer member of the North Hamilton fire brigade and chairs the Municipal Emergency Management Planning Committee.

Cr Battista has held directorships on water corporations and is a current Director for Grampians Wimmera Mallee Water appointed in October 2015.

Councillor Battista's main goal is to work on growing the Shire's economy, population and diversity.



**CR ALBERT CALVANO**  
**First elected: 2008**  
**Re-elected: 2012**  
**Mayor from 2012-2014**

Cr Calvano, along with his wife Yvonne, operates the Hospital Shop Milk Bar in Hamilton. Before moving to Hamilton, he was employed with the Public Transport Corporation in the Electrical Engineering field where he was involved in liaison with different utility suppliers such as the SEC, Gas & Fuel Corporation, board of works and other private industries.

Cr Calvano was also a member in the early 90's of the "Association of Professional Officers of Australia" (Victorian Branch) from which he obtained vast experience.

He is actively involved in a wide range of community pursuits and is well known locally for his musical performances.

# OUR COUNCIL



## CR KATRINA RAINSFORD

**First elected: May 2004**

**Re-elected: November 2004, 2008, 2012**

Cr Rainsford is a country vet and farmer with a passion for rural communities. Living on their farm at Bulart near Cavendish, Katrina and her auto electrician husband Brian Ball have four adult children. Now actively involved in Farmstay Tourism they are also members of the local Bulart CFA and Cavendish Lions, community choir Footprints and member of the Pink Puma Serra Terror walking team.

An inaugural member of Hamilton Regional Business Association Katrina is also a member of the Hamilton P & A Society, Friends of the Hamilton Gallery and Hamilton Botanic Gardens.

During this term, Cr Rainsford has represented the Shire on the the Great South Coast Connections Pillar where she has successfully advocated for regional support for a plan for returning passenger rail on the Hamilton-Portland line, increased rail freight and increased investment in safer roads.



## CR BRUACH COLLITON

**First elected: 2008**

**Re-elected: 2012**

Cr Colliton was born and educated in Hamilton. After a season studying and working in Melbourne he returned home to raise a family. He manages a small business in Hamilton.

Cr Colliton first joined Council in December 2008 where he served two terms as Deputy Mayor from 2010-2011 and 2011-2012.



## CR CATHY ARMSTRONG

**First elected: 1999-2002**

**Re-elected: 2012**

Cr Armstrong began life in rural South East Queensland, growing up on a small dairy farm. No tertiary education in the area prompted her move to Brisbane to complete her qualifications in Nursing / Midwifery. Subsequently her work in health has been in Queensland and Western Australia before settling 23 years ago in Hamilton.

Raising a family of three, working in primary and preventative health with the Western District Health Service and farming with her husband Geoff at Branxholme has shaped her passion for the future wellbeing of the Southern Grampians community. Armstrong was first elected to Council from 1999 - 2002 as Cr Jansen and was re-elected to Council on 27 October 2012.

# OUR COUNCIL

## REPRESENTATION

Councillors represent the interests of our communities through direct contact with residents, representation on local interest groups and involvement with other agencies.

Each year Council appoints representation to a range of other bodies. Appointments were made at The Ordinary Meeting of Council held on 11 November 2015 and are detailed in the table below.

COMMITTEE	DELGATE
MAV Delegate	Mayor Cr Dark Substitute - Cr Dawson
Great South Coast Group	Mayor Cr Dark Substitute - Cr Colliton
Audit Committee	Mayor Cr Dark Substitute - Cr Dawson
Hamilton Regional Livestock Exchange Advisory Committee	Mayor Cr Dark Substitute - Cr Armstrong
South West Timber Industry Roads Evaluation Study (TIRES) Committee	Mayor Cr Dark
Alliance of Councils for Rail Freight Development	Cr Dawson Substitute - Cr Calvano
RMIT Advisory Committee	Cr Colliton
Municipal Fire Prevention Advisory Committee	Mayor Cr Dark
Municipal Fire Management Planning Committee (MFMP)	Cr Armstrong
Municipal Emergency Management Planning Committee	Cr Battista Cr Armstrong
Community Inclusion Advisory Committee	Cr Armstrong
Barwon South West Local Waste Forum	Cr Colliton Cr Armstrong
Roadside Management Committee	Cr Dawson
Grangeburn Stakeholders Advisory Group	Cr Calvano
Iluka Community Forum	Cr Battista
Hamilton Community Parklands Bandicoot Enclosure Advisory Committee	Cr Dawson
GWM Water Regional Recreation Water Users Group	Cr Rainsford
Lakes Edge Project Committee	Cr Colliton
Public Art Installation Reference Group	Cr Rainsford
Grampians Landscape Assessment Steering Committee	Cr Armstrong

# OUR COUNCIL

COMMITTEE	DELGATE
Tarrington Structure Plan Steering Committee	Cr Dawson
Active Ageing Alliance	Cr Dawson
Penshurst Wind Farm Community Engagement Committee	Mayor Cr Dark Cr Calvano
Cox Street Re-development Committee	Cr Dawson Cr Rainsford
Community and Industry Transport Advisory Group	Cr Rainsford
Felix Museum	Cr Colliton
Hamilton and District Skill Centre	Cr Colliton



Councillors at the signing of the Mullagh Wills commemorative message book in May

# OUR ORGANISATION

## LEADERSHIP

Council is the governing body that appoints a Chief Executive Officer (CEO) for the organisation. The CEO has responsibility for the day-to-day management of operations in accordance with the strategic directions of the Council Plan.

Our Executive Management Team comprises the CEO and three Directors who work together to lead the organisation in line with the Council Plan's strategic objectives.

The past year saw several changes at the top. In October, CEO Richard Perry resigned after more than six years in the role. Interim CEO Bruce Davidson was appointed and remained at the helm until the appointment of new CEO Michael Tudball in March 2016.

Director Infrastructure Kevin O'Brien left in January 2016 to pursue a take up a position with the Horsham Rural City Council. David Moloney commenced in the role of Director Infrastructure in May 2016.

Director Shire Services Bronwyn Herbert also resigned in April 2016 after two periods of employment with the organisation for periods of 10 and 5 years respectively. The new Director Community and Corporate Services is expected to commence in September 2016.



**MICHAEL TUDBALL**  
**Chief Executive Officer**

### Areas of Responsibility

Establish and maintain an appropriate organisational structure for the Council, ensure that Council decisions are implemented without delay, manage the day to day operations of Council in accordance with the Council Plan and provide timely advice to Council.

### Qualifications

- Associate Diploma of Business (Operations Management)
- Graduate Diploma of Business (Management)
- Master of Business Administration (Entrepreneurship)
- Diploma of Company Directors

### Experience

Michael joins the Southern Grampians Shire from Melton City Council where he held the position of Manager of Economic Development and Advocacy. He has a strong history in population growth and development, having been Growth Areas Executive at Melton for the two years prior to role as Manager

Economic Development. Previous to his roles at the Melton City Council, Michael was the Director of School and Community Partnerships at DPCD for two years and the Director of Caroline Springs Partnerships at the Department of Victorian Communities for four years.

Michael has a solid background in business as well, having owned and run his own management consultancy firm for almost ten years and has held a number of board positions in the public, private and not-for-profit sectors.

Michael also spent eight years as a Councillor with the Moorabool City Council, serving two of those as Mayor.

# OUR ORGANISATION



**MICHAEL MCCARTHY**  
**Director Shire Futures**

**Areas of Responsibility**

Building Services, Planning, Economic Development, Tourism, Environmental Health, Sustainability, Community Engagement, Natural Resource Management, Hamilton Gallery.

**Qualifications**

- Masters of Social Sciences, Environment and Planning.

**Experience**

Michael worked for four years in the Shire of Moorabool after almost 20 years at La Trobe University in marketing, commercial development, service provision and environmental education and restoration.



**DAVID MOLONEY**  
**Director Shire Infrastructure**

**Areas of Responsibility**

Infrastructure, Engineering, Hamilton Airport, Hamilton Landfill, Hamilton Regional Livestock Exchange, Works, Fleet and Emergency Management.

**Experience**

David has 16 years experience working with the Roads and Maritime Services in New South Wales and with Corangamite Shire in Road Asset Management including road construction and maintenance.

**Qualifications**

- Bachelor of Engineering (Hons)
- Masters in Pavements



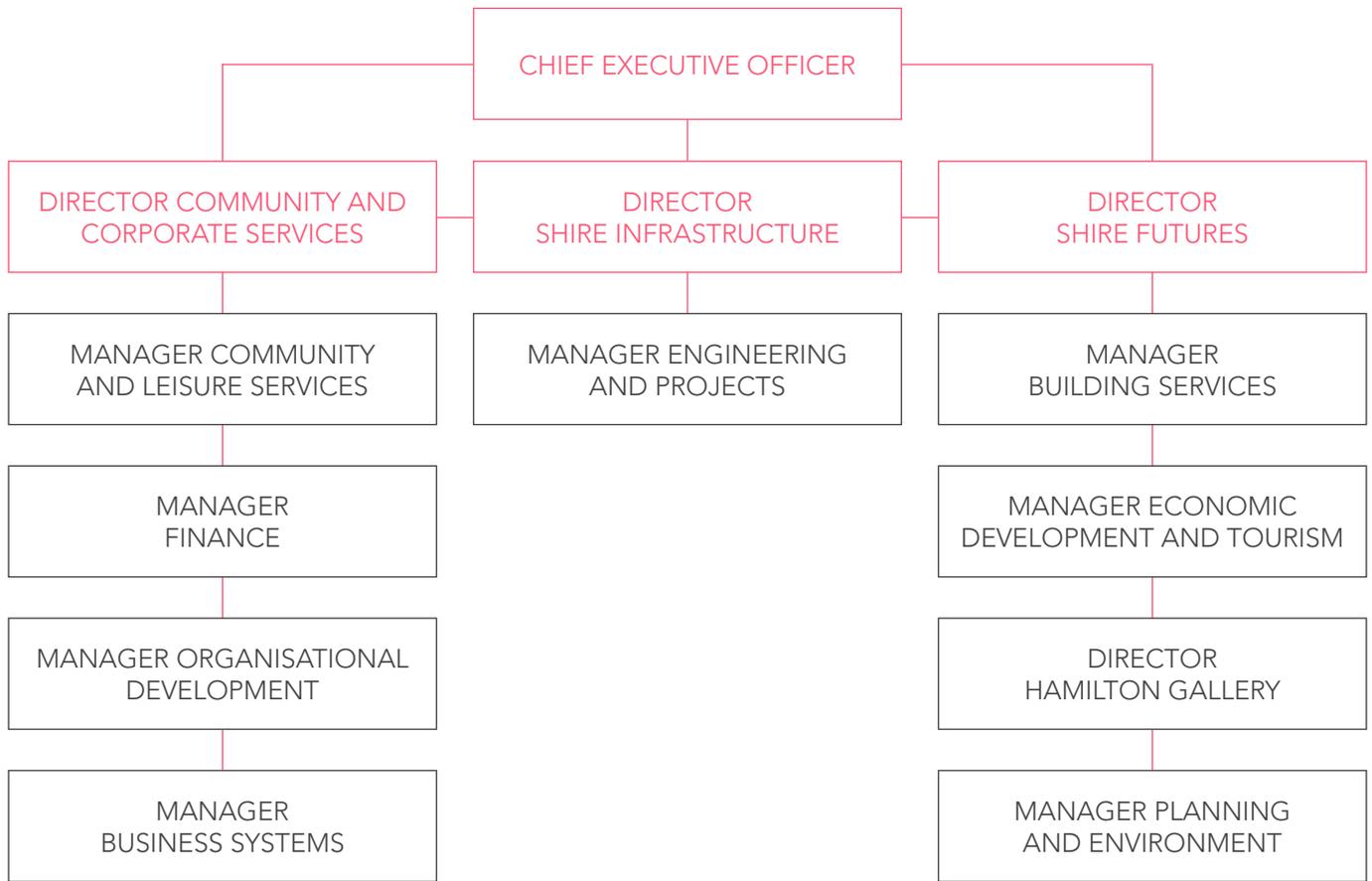
**Director Shire Services**

**Areas of Responsibility**

Finance, Corporate Support, Organisational Development, Library Services, Leisure and Community, and Business Systems

\* Role vacant at time of writing Annual Report

# OUR ORGANISATION



# OUR ORGANISATION

## OUR PEOPLE

### Council Staff

In 2015/16 Southern Grampians Shire Council employed 407 people across the year, which is the equivalent to 228 EFT. During the year Council had a staff turnover rate of approximately 10.6% which equates to 43 employees.

A summary of the number of Council staff by organisational structure, employment type and gender is outlined in the table below:

EMPLOYMENT TYPE	CEO & COUNCIL	SHIRE SERVICES	SHIRE FUTURES	SHIRE INFRASTRUCTURE
Permanent FT	9	40	18	99
Permanent PT		98	13	9
Temporary		3	2	6
Casual	1	86	8	15
<b>Total</b>	<b>10</b>	<b>227</b>	<b>41</b>	<b>129</b>

Legend: FT - Full time, PT - Part time, M - Male, F - Female

EMPLOYMENT CLASSIFICATION	MALE	FEMALE	TOTAL
Band 1	18	29	47
Band 2	39	34	73
Band 3	64	68	132
Band 4	23	29	52
Band 5	11	17	28
Band 6	16	15	31
Band 7	11	6	17
Band 8	3	2	5
Band not applicable	12	10	22
	<b>197</b>	<b>210</b>	<b>407</b>

# OUR ORGANISATION

## Other Staff Matters

### Equal Opportunity Program

Council continues its Equal Opportunity and Human Rights commitment to provide a workplace free of any form of discrimination and harassment through its Equal Opportunity Policy and Staff Code Of Conduct.

The Victorian Equal Opportunity and Human Rights Commission returned to Council in August 2015 and conducted a number of training sessions on Equal Opportunity and Human Rights and Cultural Diversity in the Workplace.

Further to this eight staff completed the Commissions Equal Opportunity and Human Rights train the trainer program and are now developing the following programs to deliver in house for Council staff:

- Understanding the application of Human Rights in Local Government
- Equal Opportunity and Human Rights Induction and
- Understand Human Rights and the Privacy and Privacy and Data Protection Act

### Occupational Health and Safety

Council continues its commitment to ensuring a safe workplace for its employees through the OH&S Committee, training and a proactive approach to safety.

Following the review of the OH&S Committee during 2014/15, the Committee has achieved 37 positive outcomes; from snake bite training to an OHS resolution process development and implementation, as direct result of the review.

The Committee continues to meet bi-monthly and invite guest speakers regularly to inform them on specialist areas including IT solutions and plant procurement processes. This ensures ongoing dialogue across the organisation.



## Health and Wellbeing

Council's Health and Wellbeing Committee has had a proactive year, initially setting three priority areas for the year, these being:

- Mental Health
- Healthy Eating
- Drugs and Alcohol Education.

They have reviewed the Healthy Catering and Drugs, Alcohol and Smoking in the Workplace Policies, developed and implemented a drug and alcohol awareness program and promoted good mental health in the workplace, which has resulted in Council offering five sessions of Mental Health First Aid to date.

### Staff Consultative Committee

The Staff Consultative Committee has had a busy year which has involved:

- Policy consultation
- Enterprise agreement negotiations
- Improved communication and consultation through guest speakers and guest attendees.

# OUR ORGANISATION

## Employee Recognition

Council has a Staff Recognition of Service Policy, that outlines appropriate award and recognition mechanisms for the service of employees at 5, 10, 20, 30 and 40 years.

This years recipients were:

5 YEARS	10 YEARS	20 YEARS	30 YEARS
Bevan McIntosh	Matthew Beaton	Mary McArthur	Belinda Johnson
Lee Hatherall	Rodney Pye	Joan McFarlane	Judith Schneider
John Hadden	Peter Warren	Nicole Downes	
Anthony Parker	Mark Hornibrook	Rodney Campe	
Francis Pekin	Ian Brilley	Ian Hunter	
Brett Holmes	Angus Christie		
Trevor Wilson	Paula Grenfell		
Lee Jones	Wendy Gallagher		
Kim Huf	Irene Hill		
Heather Muskee			
Deidre Quinsey			
Krystal Fitzgerald			
Joan Burgess			
Casey Rook			
David Bishop			
Susan Edwards			
Kylie McIntyre			
Melissa White			

Employees from Shire Futures celebrate their 5 and 10 year milestones



Outdoor Staff officially recognised for 5 and 10 years' service





Employees from across the organisation with Mayor Peter Dark after being officially recognised for their 20 and 30 years of service

# OUR PERFORMANCE

## COUNCIL PLAN

This section describes how the Annual Report links to the achievement of the Council Plan within an overall planning and reporting framework. This framework guides the Council in identifying community needs and aspirations over the long term, medium term (Council Plan) and short term (Annual Budget) and then holding itself accountable (Annual Report).

## PLANNING AND ACCOUNTABILITY FRAMEWORK

The Strategic Resource Plan, part of and prepared in conjunction with the Council Plan, is a rolling four year plan that outlines the financial and non-financial resources that Council requires to achieve the strategic objectives described in the Council Plan. The Annual Budget is framed within the Strategic Resource Plan, taking into account the services and initiatives which contribute to achieving the strategic objectives specified in the Council Plan.

## STRATEGIC OBJECTIVES

Council delivers services and initiatives under 55 major service categories. Each contributes to the achievement of one of the five Strategic Objectives as set out in the Council Plan for the years 2013-17.

The following are the five strategic objectives as detailed in the Council Plan:

### 1. Leadership and Good Governance

Maintain an understanding of issues of local importance and provide leadership in tackling them. Where appropriate, advocate on behalf of our community and ensure that our community is represented in debates which affect us.

### 2. Foster Population and Economic Growth

Work to stimulate the Shire's economic activity and drive population growth through Council's Economic Development Strategy 2011-2021.

### 3. Enhance Wellbeing and Culture

Enhance the liveability within the Shire, through planning and provision of quality in health, leisure, education and cultural services.

### 4. Help Communities Feel Dynamic and Resilient

Deliver high quality services in areas that are important in maintaining community safety and involve the community in determining and evaluating their performance on an ongoing basis.

### 5. Manage Environmental Security

Take seriously its responsibility as the custodian of community resources. Commit to achieving maximum benefit for the community from all our resources while taking care of our natural environment.

## PERFORMANCE

Council's performance for the 2015/16 year has been reported against each strategic objective to demonstrate how Council is performing in achieving the 2013-2017 Council Plan.

Performance has been measured as follows:

- Results achieved in relation to strategic indicators in the Council Plan
- Progress in relation to the major initiatives identified in the budget
- Services funded in the budget and the persons or sections of the community who are provided those services
- Results against the prescribed service performance indicators and measures

# OUR PERFORMANCE



STRATEGIC  
OBJECTIVE ONE:

## **LEADERSHIP AND GOOD GOVERNANCE**

Maintain an understanding of issues of local importance and provide leadership in tackling them. Where appropriate, advocate on behalf of our community and ensure that our community is represented in debates which affect us.

# STRATEGIC OBJECTIVE ONE

## Leadership and Good Governance

The following statement reviews the performance of Council against the Council Plan including results achieved in relation to the strategic indicators included in the Council Plan.

STRATEGIC INDICATOR/MEASURE	RESULT 2014/15	RESULT 2015/16	COMMENTS
<b>Council Direction</b> Community Satisfaction Survey rating out of 100 on the respondent's view of the overall direction of the Council's activities	43	46	This rating is back up 3 points after a significant drop of 5 points in 2014/15.
<b>Council Governance</b> Community Satisfaction Survey rating out of 100 on interaction and responsiveness in dealing with the public: <ul style="list-style-type: none"> <li>• Community Consultation and Engagement</li> <li>• Making Community Decisions</li> <li>• Customer Service</li> </ul>	50 44 64	49 50 63	It is pleasing to note that while Customer service and community consultation and engagement scores have dropped slightly, scores for making community decisions has jumped 6 points from the 2014/15 score.

The following statement reviews the progress of council in relation to major initiatives identified in the 2015/16 budget for the year:

MAJOR INITIATIVES	PROGRESS
Commence implementation of Service Review Framework as adopted by Council in February 2015 with completion of at least three service reviews	Service reviews were completed for several services with further project work being undertaken in Waste Resource Recovery, Events Development, Parking Enforcement and Unstructured Recreation.  A program of extensive service planning across the organisation will be completed in 2016/17



Councillors and Executive inspect the proposed site of the Hamilton Abattoir

# STRATEGIC OBJECTIVE ONE

## Leadership and Good Governance

The following statement provides information in relation to the services funded in the 2015/16 budget and the persons in the community who are provided the service:

SERVICE	DESCRIPTION	BUDGET EXPENDITURE (REVENUE) NET COST \$000	ACTUAL EXPENDITURE (REVENUE) NET COST \$000
<b>Executive and Councillor Support</b>	This area of governance includes the Mayor, Councillors, Chief Executive Officer and Executive Management Team and associated support.	1,648 <u>0</u> 1,648	1,900 <u>(12)</u> 1,888
<b>Governance Administration</b>	This service has the responsibility to provide the organisation with appropriate strategic advice on Governance and Property related matters, enabling the organisation to be responsive to the needs of the Council and the community.	1,339 <u>(7,037)</u> (5,698)	1,354 <u>(10,289)</u> (8,935)
<b>Financial Services</b>	This service has the responsibility to provide the organisation with appropriate strategic advice, reporting and internal control on finance related matters. Financial services also provide accounts payable, receivable and rating administration.	111 <u>(21,566)</u> (21,455)	101 <u>(21,365)</u> (21,365)
<b>Risk Management</b>	This service has the responsibility to provide the organisation with appropriate advice and management of risk and OHS in relation to legal and other community requirements.	81 <u>0</u> 81	87 <u>(5)</u> 81
<b>Procurement</b>	This service has the responsibility to provide the organisation with appropriate advice, administration and policy on all procurement matters as specified in Section 186A of the Local Government Act 1989.	143 <u>0</u> 143	153 <u>0</u> 153
<b>Communications</b>	The Communications service assists the organisation to facilitate communication across both internal and external stakeholders, and provide high quality information to the community.	169 <u>0</u> 169	99 <u>0</u> 99

# STRATEGIC OBJECTIVE ONE

## Leadership and Good Governance

SERVICE	DESCRIPTION	BUDGET EXPENDITURE (REVENUE) NET COST \$000	ACTUAL EXPENDITURE (REVENUE) NET COST \$000
<b>Customer Service</b>	The Customer Service Unit is the first point of contact for all communications with Council. This unit aims to provide accurate and a high quality of service to all customers.	336 0 336	255 (3) 252
<b>Information Management</b>	The Business Systems unit aims to maximise the organisation's capacity to utilise all its many and diverse systems and is also responsible for the ongoing support of Councils IT requirements necessary to deliver effective services.	1,022 0 1,022	902 0 902
<b>Organisational Development and Continuous Improvement</b>	The Organisational Development Unit aims to facilitate Council's organisational goals through effective workforce management and provide a mechanism for continual review and improvement.	422 (30) 392	452 (1) 451

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

SERVICE/INDICATOR/MEASURE	RESULT 2014/15	RESULT 2015/16	MATERIAL VARIATIONS
<b>GOVERNANCE</b>			
<b>Transparency</b> <i>Council resolutions at meetings closed to the public</i> [Number of council resolutions made at ordinary or special meetings of council, or at meetings of a special committee consisting only of councillors, closed to the public / Number of council resolutions made at ordinary or special meetings of council or at meetings of a special committee consisting only of councillors] x100	31%	19.44%	Council decisions made at meetings closed to the public reduced in 2015/16 as there were less reports in relation to personnel matters
<b>Consultation and engagement</b> <i>Satisfaction with community consultation and engagement</i> [Community satisfaction rating out of 100 with how council has performed on community consultation and engagement]	50	49	No material variations

# STRATEGIC OBJECTIVE ONE

## Leadership and Good Governance

SERVICE/INDICATOR/MEASURE	RESULT 2014/15	RESULT 2015/16	MATERIAL VARIATIONS
<p><b>Attendance</b> <i>Council attendance at council meetings</i> [The sum of the number of councillors who attended each ordinary and special council meeting / (Number of ordinary and special council meetings) x (Number of councillors elected at the last council general election)] x100</p>	89%	90.98%	No material variations
<p><b>Service cost</b> <i>Cost of governance</i> [Direct cost of the governance service / Number of councillors elected at the last council general election]</p>	\$29,973.71	\$40,879.71	Increased cost of governance in the 2015/16 financial year is in part due to costs involved with the recruitment of a new Chief Executive Officer.
<p><b>Satisfaction</b> <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]</p>	44	50	This indicator increased 6 points from 44 to 50. Council has been operating its community engagement framework for more than 2 years. This process ensures that Council is made aware of issues of immediate concern to the community. The process implemented for the small towns also provides for effective feedback on actions take. Council has also revamped its community newsletter with the intention of explaining why decisions are made. Similarly there were some difficult decisions made in the previous year that were unpopular. This may have had a negative impact on the previous year's survey results.

# OUR PERFORMANCE



## STRATEGIC OBJECTIVE TWO:

### **FOSTER POPULATION AND ECONOMIC GROWTH**

Work to stimulate the Shire's economic activity and drive population growth through Council's Economic Development Strategy 2011-2021.

## STRATEGIC OBJECTIVE TWO

### Foster Population and Economic Growth

The following statement reviews the performance of council against the Council Plan including results achieved in relation to the strategic indicators included in the Council Plan:

STRATEGIC INDICATOR/MEASURE	RESULT 2014/15	RESULT 2015/16	COMMENTS
<b>Planning Activity</b> Level of Planning Permits processed within specified statutory timeframe	82%	74.83%	This result is down on the 2014/15 figure of 82% but remains in line with or better than State Averages.
<b>Community Satisfaction Survey rating</b> <ul style="list-style-type: none"> <li>• Business Development and Tourism</li> <li>• Population Growth</li> <li>• Planning Policy</li> </ul>	53 49 48	52 47 50	All three measures are down on the 2014 scores
<b>Increased Visitor Numbers</b> <ul style="list-style-type: none"> <li>• Hamilton VIC</li> <li>• Dunkeld VIC</li> <li>• Coleraine VIC</li> </ul>	32,985 21,669 7,347	33,184 21,709 7,744	Attendance at all three Visitor Information Centres increased from the 14/15 financial year

The following statement reviews the progress of council in relation to major initiatives identified in the 2015/16 budget for the year:

MAJOR INITIATIVES	PROGRESS
Advocate for food and fibre processing and agricultural investment opportunities.	<p>Our Economic Development team attended Sheepvention and the Lucindale Field Days displaying the Land Capability Mapping Project and also presented to several agricultural and finance forums advocating the agricultural opportunities possible in our region.</p> <p>Southern Grampians Shire Council has again partnered with Deakin University to map an extra 10-12 commodities in 2016/17, furthering Council's commitment to promoting the region's extensive agricultural opportunities.</p>

## STRATEGIC OBJECTIVE TWO

### Foster Population and Economic Growth

The following statement provides information in relation to the services funded in the 2014/15 budget and the persons in the community who are provided the service:

SERVICE	DESCRIPTION	BUDGET EXPENDITURE (REVENUE) NET COST \$000	ACTUAL EXPENDITURE (REVENUE) NET COST \$000
<b>Economic Development</b>	The economic development service seeks, in conjunction with key stakeholders, to promote an environment that is conducive to a sustainable and growing local economy.	599 (139) 460	745 (277) 468
<b>Aerodrome</b>	This service is responsible for the management and operation of the Hamilton Aerodrome.	692 (2,197) (1,505)	993 (585) 408
<b>Livestock Exchange</b>	This service is responsible for the management and operation of the Hamilton Livestock Exchange.	1,123 (1,368) (245)	1,085 (1,505) (420)
<b>Tourism</b>	This service aims to increase visitation and visitor yield and increase the quality of visitor experiences in the Shire.	349 (19) 330	404 (31) 373
<b>Visitor Services</b>	This service aims to connect the visitor to the Greater Hamilton experience, encouraging them to stay longer and contribute more to the local economy.	366 (14) 352	419 (19) 400
<b>Building Services</b>	This service provides statutory building services including enforcement of the Building Act and Regulation to ensure community safety in the built environment.	366 (253) 113	359 (204) 155
<b>Business Development</b>	The business development service seeks to facilitate an environment that is conducive to a sustainable and growing local business sector.	125 0 125	128 (4) 124
<b>Strategic Planning</b>	This service monitors the Council's Planning Scheme as well as preparing major policy documents shaping the future of the Shire. It prepares and processes amendments to the Council Planning Scheme and carries out research on urban development issues.	0 0 0	113 0 113
<b>Statutory Planning</b>	This statutory planning service processes all planning applications, provides advice and makes decisions about development proposals which require a planning permit.	926 (214) 712	392 (86) 306

# STRATEGIC OBJECTIVE TWO

## Foster Population and Economic Growth

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

SERVICE/INDICATOR/MEASURE	RESULT 2014/15	RESULT 2015/16	MATERIAL VARIATIONS
<b>STATUTORY PLANNING</b>			
<b>Timeliness</b> <i>Time taken to decide planning applications</i> [The median number of days between receipt of a planning application and a decision on the application]	48.5 days	40 days	New planner engaged following a period where two positions were vacant for an extended period. These additional resources enable the backlog of Planning Permit Applications to be reduced.
<b>Service standard</b> <i>Planning applications decided within 60 days</i> [Number of planning application decisions made within 60 days / Number of planning application decisions made] x100	82%	74.83%	No material variations
<b>Service cost</b> <i>Cost of statutory planning service</i> [Direct cost of statutory planning service /Number of planning applications received]	\$1842.83	\$2630.02	The increase in staff salaries from 2014/15 to 2015/16 is due to extra resources which has contributed to the large variations between financial years.
<b>Decision making</b> <i>Council planning decisions upheld at VCAT</i> [Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	0	0	No Council planning decisions were referred to VCAT in the 2015/16 financial year.

# OUR PERFORMANCE



STRATEGIC  
OBJECTIVE THREE:

## **ENHANCE WELLBEING AND CULTURE**

Enhance the liveability within the Shire, through planning and provision of quality in health, leisure, education and cultural services.

# STRATEGIC OBJECTIVE THREE

## Enhance Wellbeing and Culture

The following statement reviews the performance of council against the Council Plan including results achieved in relation to the strategic indicators included in the Council Plan:

STRATEGIC INDICATOR/ MEASURE	RESULT 2014/15	RESULT 2015/16	COMMENTS
<b>Patronage of Cultural Facilities</b>			
Performing Arts Centre	30,492	51,615	Patronage of all Council cultural facilities was higher in 2015/16 than the previous year, with the exception of the library.
Library	92,312	90,632	
Cinema	19,981	20,197	
Art Gallery	18,730	22,530	
<b>Community Satisfaction Survey rating</b>			
Family Support Services	71	67	All scores were lower in 2015/16 than in 2014/15.
Aged Support Services	73	69	
Community and Cultural Activities	67	66	
Art Centres and Libraries	80	75	
Recreational Facilities	70	68	
<b>Data on the level of use of facilities (recreation)</b>			
HILAC indoor pool	113,508 visits	131,269 visits	Visitation at HILAC indoor pool was higher in 2015/16 than in the previous year.
Outdoor Pools total (Dec-March)	19,773 visits	16,188 visits	This figure is across all six pools in Southern Grampians Shire. Attendance is lower in 2015/16 than the previous year and is also significantly lower than the 2013/14 figure of 23,447.



## STRATEGIC OBJECTIVE THREE

### Enhance Wellbeing and Culture

The following statement reviews the progress of council in relation to major initiatives identified in the 2015/16 budget for the year:

MAJOR INITIATIVES	PROGRESS
Advocate for and support the development of the Arts & Cultural Plan.	Council adopted its Arts and Cultural Strategic Plan in 2014 and has been implementing and advocating to achieve the strategic objectives of that Plan. As mentioned in other sections of this report, Council has actively supported major events such as the Ansett Aflight festival as well as the development of the Pocket Garden in the Hamilton CBD which saw two pieces of the Gallery's sculpture collection (the Hamilton Farmers by Dean Bowen) installed in the public space. The Gallery's exhibition program has been developed in line with the Arts and Culture Strategic Plan to build cultural tourism and the Performing Arts Centre's public program, including Ansett Aflight, has been developed to build on the existing community participation in the performing arts. Council has continued to plan for the appropriate facilities for the Gallery collection which is currently housed in inadequate storage and climatic control. This year also saw the opening of the Dunkeld railway station as the Off the Rails Gallery which is a community led artist-in-residence and workshop space supported by the Council and the State Government.

The following statement provides information in relation to the services funded in the 2014/15 budget and the persons in the community who are provided the service:

SERVICE	DESCRIPTION	BUDGET EXPENDITURE (REVENUE) NET COST \$000	ACTUAL EXPENDITURE (REVENUE) NET COST \$000
<b>Aged and Disability Services</b>	This service provides a range of Home and Community Care services for the aged and disabled including home delivered meals, personal care, domestic assistance transport, property maintenance, and senior citizen clubs.	2,935 (2,374) 561	2,856 (2,277) 579
<b>Community Services Management</b>	This service is responsible for the management and planning of community services. The service provides advice regarding social issues and assists community groups.	1,773 (1,149) 624	1,736 (827) 909

# STRATEGIC OBJECTIVE THREE

## Enhance Wellbeing and Culture

SERVICE	DESCRIPTION	BUDGET EXPENDITURE (REVENUE) NET COST \$000	ACTUAL EXPENDITURE (REVENUE) NET COST \$000
<b>Rural Access</b>	This service aims to build inclusive communities by mobilising, strengthening and providing support to communities.	67 <u>(67)</u> 0	62 <u>(69)</u> (7)
<b>Children's Services</b>	This service provides quality education and care services ie. Family Day Care and promotes the early years sector.	635 <u>(478)</u> 157	685 <u>(483)</u> 202
<b>Leisure Services Planning and Support</b>	This service is responsible for the management and planning of recreational opportunities in conjunction with the community using community development processes.	248 <u>0</u> 248	264 <u>(61)</u> 203
<b>Structured Recreation</b>	This service manages or provides assistance in the delivery of sporting facilities for structured clubs or groups in the Shire.	569 <u>(514)</u> 55	701 <u>(418)</u> 283
<b>Unstructured Recreation</b>	This service manages and/or provides assistance in the delivery of recreation facilities and open space for unstructured recreational activities in the Shire.	1,834 <u>(227)</u> 1,607	1,839 <u>(252)</u> 1,587
<b>Aquatic Facilities</b>	This service provides a geographic spread of aquatic facilities that deliver recreation, health, wellbeing, education, social and tourism/economic opportunities to our communities.	2,605 <u>(1,416)</u> 584	2,553 <u>(1,192)</u> 1,361
<b>Hamilton Indoor Leisure and Aquatic Centre</b>	This service provides accessible leisure and aquatic experience that facilitates and promotes wellbeing outcomes.	109 <u>100</u> 9	902 <u>1022</u> (120)
<b>Art Gallery</b>	This service aims to broaden the understanding and enjoyment of art in our community, providing enriching experiences for all our visitors.	651 <u>(202)</u> 449	596 <u>(306)</u> 290
<b>Performing Arts Centre</b>	This service provides promotion and support of performing arts, encouraging both appreciation and participation. Also to serve as one of the major conference and event venues in the area for both the business and community sectors.	554 <u>(275)</u> 279	623 <u>(228)</u> 395

## STRATEGIC OBJECTIVE THREE

### Enhance Wellbeing and Culture

SERVICE	DESCRIPTION	BUDGET EXPENDITURE (REVENUE) NET COST \$000	ACTUAL EXPENDITURE (REVENUE) NET COST \$000
<b>Library</b>	This service aims to be an effective and dynamic library service inspiring and connecting our community by providing diverse, accessible and creative collections, programs, spaces and experiences.	713 <u>(240)</u> 473	754 <u>(190)</u> 564
<b>Cinema</b>	This service provides the community with a high quality cinema experience.	366 <u>(286)</u> 70	336 <u>(274)</u> 62
<b>Civic and Community Arts</b>	This service aims to increase visibility and activity of arts and culture in the community through a range of community programs or projects.	196 <u>(11)</u> 185	57 <u>(23)</u> 34
<b>Events Support</b>	This services purpose is to increase visitation and visitor yield and increase quality visitor experiences through the support and marketing of events within the Shire.	276 <u>(29)</u> 247	242 <u>(29)</u> 213



# STRATEGIC OBJECTIVE THREE

## Enhance Wellbeing and Culture

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

SERVICE/INDICATOR/MEASURE	RESULT 2014/15	RESULT 2015/16	MATERIAL VARIATIONS
<b>LIBRARY</b>			
<b>Utilisation</b> <i>Library collection usage</i> [Number of library collection item loans / Number of library collection items]	4.65	4.83	No material variations
<b>Resource standard</b> <i>Standard of library collection</i> [Number of library collection items purchased in the last 5 years / Number of library collection items] x100	71%	71.76%	No material variations
<b>Service cost</b> <i>Cost of library service</i> [Direct cost of the library service / Number of visits]	\$5.15	\$6.00	Large difference between data from 2014/15 to 2015/16 is due to improved door count data capture.
<b>Participation</b> <i>Active library members</i> [Number of active library members / Municipal population] x100	35%	16.16%	The change in data results from the information being calculated based on card use within 12 months in 2015/16 compared to 24 months in 2014/15.
<b>AQUATIC FACILITIES</b>			
<b>Service standard</b> <i>Health inspections of aquatic facilities</i> [Number of authorised officer inspections of council aquatic facilities / Number of council aquatic facilities]	1.14	1	No material variations
<i>Reportable safety incidents at aquatic facilities</i> [Number of WorkSafe reportable aquatic facility safety incidents]	0	0	There were no reportable safety incidents at aquatic facilities in Southern Grampians Shire in the 2015/16 financial year.

## STRATEGIC OBJECTIVE THREE

### Enhance Wellbeing and Culture

SERVICE/INDICATOR/MEASURE	RESULT 2014/15	RESULT 2015/16	MATERIAL VARIATIONS
<b>Service cost</b> <i>Cost of indoor aquatic facilities</i> [Direct cost of indoor aquatic facilities less income received / Number of visits to indoor aquatic facilities]	\$2.90	\$2.72	No material variations
<i>Cost of outdoor aquatic facilities</i> [Direct cost of outdoor aquatic facilities less income received / Number of visits to outdoor aquatic facilities]	\$11.93	\$16.17	Large difference between data from 2014/15 to 2015/16 is due to improved capture of staff costs to outdoor aquatic facilities.
<b>Utilisation</b> <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	13.70	15.23	The number of visits to aquatic facilities in Southern Grampians is high due to its Indoor Leisure and Aquatic Centre. The visitor numbers for this centre include customers utilising the other facilities at the centre including basketball courts, gymnasium, squash courts and table tennis, not just those utilising the swimming pools.
<b>HOME AND COMMUNITY CARE</b>			
<b>Service standard</b> <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	89%	88.89%	No material variations
<b>Service Cost</b> <i>Cost of domestic care service</i> [Cost of the domestic care service / Hours of domestic care service provided]	0	\$51.47	This indicator was not included in the 2014/15 reporting.

## STRATEGIC OBJECTIVE THREE

### Enhance Wellbeing and Culture

SERVICE/INDICATOR/MEASURE	RESULT 2014/15	RESULT 2015/16	MATERIAL VARIATIONS
<i>Cost of personal care service</i> [Cost of the personal care service / Hours of personal care service provided]	0	\$42.60	This indicator was not included in the 2014/15 reporting.
<i>Cost of respite care service</i> [Cost of the respite care service / Hours of respite care service provided]	0	\$49.15	This indicator was not included in the 2014/15 reporting.
<b>Participation</b> <i>Participation in HACC service</i> [Number of people that received a HACC service / Municipal target population for HACC service x100]	35%	35.78%	No material variations
<i>Participation in HACC service by CALD people</i> [Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x100	54%	29.52%	As there are low total numbers any small changes in the data results in large percentage changes.

# OUR PERFORMANCE



STRATEGIC  
OBJECTIVE FOUR:

## HELP COMMUNITIES FEEL DYNAMIC AND RESILIENT

Deliver high quality services in areas that are important in maintaining community safety and involve the community in determining and evaluating their performance on an ongoing basis.

## STRATEGIC OBJECTIVE FOUR

### Help Communities Feel Dynamic and Resilient

The following statement reviews the performance of council against the Council Plan including results achieved in relation to the strategic indicators included in the Council Plan:

STRATEGIC INDICATOR/ MEASURE	RESULT 2014/15	RESULT 2015/16	COMMENTS
<b>Compliance with Electric Lines Clearance Regulations</b>	100% Complete	100% Complete	All trees on the list for the Hamilton declared area this year have been trimmed
<b>Immunisation rate</b> Immunisation rate of children within the Shire	88.89%	91.07%	This represents the percentage of children in the Shire fully immunised at 12-15 months. This is in line with Victorian average of 92.10
<b>Building community capacity and participation through training opportunities</b>		<ul style="list-style-type: none"> <li>Let's Nut it Out Community Forum</li> <li>Communities in Control forum</li> </ul>	We provided a number of opportunities this year for community members to collaborate, engage and develop their capacity to make changes in their own communities.
<b>Community Satisfaction Survey Rating</b> <ul style="list-style-type: none"> <li>Community and Cultural Activities</li> <li>Community Development</li> <li>Traffic Management</li> <li>Emergency and Disaster Management</li> </ul>	67 53 66 71	66 52 65 70	2015/16 saw slightly lower scores across all areas than 2014/15

The following statement reviews the progress of council in relation to major initiatives identified in the 2014/15 budget for the year:

MAJOR INITIATIVES	PROGRESS
Continue with commitment to Community Engagement Policy and Guidelines for all Council projects including consultancies committed by Council.	Council has continued its program of engagement with townships in the Shire and has held a number of sessions both formally and informally with the Hamilton community. The Community Engagement policy review has begun and will be completed as part of the Communications Strategy development in 2016/17. A new set of guidelines will be developed part of this review which will inform engagement for all Council projects.

# STRATEGIC OBJECTIVE FOUR

## Help Communities Feel Dynamic and Resilient

The following statement provides information in relation to the services funded in the 2015/16 budget and the persons in the community who are provided the service:

SERVICE	DESCRIPTION	BUDGET EXPENDITURE (REVENUE) NET COST \$000	ACTUAL EXPENDITURE (REVENUE) NET COST \$000
<b>Emergency Services</b>	This service coordinates emergency management planning to enable Council to coordinate and respond to emergencies in cooperation with other agencies	258 (152) 106	201 (312) (111)
<b>Fire Prevention</b>	This service coordinates fire prevention planning and works in cooperation with other agencies.	187 (38) 149	128 (14) 114
<b>Environmental Health</b>	This service improves the health and wellbeing of the community and protects the Shire's environment.	283 (78) 205	240 (80) 160
<b>Environmental Sustainability</b>	This service implements Council's Sustainability Strategy and acts as a catalyst for Council and community sustainability actions within the Shire.	402 (50) 352	273 0 273
<b>Local Laws Operations</b>	This service provides for the peace, order and good government of the Shire.	415 (367) 48	454 (365) 89
<b>Maternal and Child Health</b>	This service provides a primary health care service for the Shire's families with children from birth to school age.	274 (204) 69	267 (237) 30
<b>Community Planning</b>	This service assists communities to develop a vision and priorities for their community and facilitate the implementation of community plans.	159 0 159	146 (22) 124
<b>Community Support</b>	This service is responsible for the provision of community support services. The service provides advice to Council and assists community groups.	126 0 126	39 (5) 34
<b>Asset Management and Property Services</b>	This service prepares long term maintenance management programs for Council's property assets in an integrated and prioritised manner in order to optimise their strategic value and service potential. These include municipal buildings, pavilions and other community buildings.	566 (185) 381	508 (54) 454

# STRATEGIC OBJECTIVE FOUR

## Help Communities Feel Dynamic and Resilient

SERVICE	DESCRIPTION	BUDGET EXPENDITURE (REVENUE) NET COST \$000	ACTUAL EXPENDITURE (REVENUE) NET COST \$000
<b>Bridges and Culverts</b>	This service ensures the development and maintenance of the Shires bridges and culverts.	473 <u>0</u> 473	473 <u>(1)</u> 472
<b>Depot Operations and Maintenance</b>	This service supports the infrastructure directorate in the delivery of infrastructure related services.	358 <u>(21)</u> 337	665 <u>(32)</u> 633
<b>Footpaths</b>	This service ensures the development and maintenance of the Shires footpaths and cycle ways.	337 <u>(56)</u> 281	430 <u>(2)</u> 428
<b>Infrastructure Management</b>	This service undertakes design, tendering, contract management and supervision of various works within Council's capital works program	1,148 <u>0</u> 1,148	984 <u>(133)</u> 851
<b>Plant Management and Operations</b>	This service purchases and maintains Council vehicles, plant and equipment to meet functionality and safety needs and to maximise the performance and minimise operational cost of the fleet.	2,081 <u>(2,000)</u> 81	3,422 <u>(3,296)</u> 126
<b>Rural Roads Verges and Drainage</b>	This service aims to ensure responsible management of Council's road infrastructure and compliance with regulatory requirements.	7,050 <u>0</u> 7,050	7,321 <u>(9)</u> 7,312
<b>Street Lighting</b>	This service provides public lighting for safety and amenity in streets within urban areas and other designated public locations.	174 <u>0</u> 174	195 <u>0</u> 195
<b>Traffic Control Management</b>	This service provides strategic planning, policy development and day to day management of traffic and transport related issues in Council.	185 <u>0</u> 185	251 <u>0</u> 251
<b>Urban Streets</b>	This service aims to ensure responsible management of Council's urban road infrastructure and compliance with regulatory requirements.	1,099 <u>(1,544)</u> (445)	1,900 <u>(1,527)</u> 373
<b>Vic Roads Contract Management</b>	This service ensures responsible contract management of Councils VicRoads contract.	386 <u>(478)</u> (92)	1,003 <u>(1,294)</u> (291)

# STRATEGIC OBJECTIVE FOUR

## Help Communities Feel Dynamic and Resilient

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

SERVICE/INDICATOR/MEASURE	RESULT 2014/15	RESULT 2015/16	MATERIAL VARIATIONS
<b>ROADS</b>			
<b>Satisfaction of use</b> <i>Sealed local road requests</i> [Number of sealed local road requests /Kilometres of sealed local roads] x100	1.27	1.44	The number of requests comes from Council's Customer Request system. This system is not currently capturing all the requests received by Council. The data collection mechanism is being reviewed to ensure accurate capture of this data for the 2016/17 financial year.
<b>Condition</b> <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	100%	99.94%	No material variations
<b>Service cost</b> <i>Cost of sealed local road reconstruction</i> [Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]	\$77.06	\$21.75	The 2014/15 cost of sealed local road construction was calculated incorrectly.
<i>Cost of sealed local road resealing</i> [Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]	\$4.37	\$3.34	The figures reported in 2014/15 were not calculated correctly.

# STRATEGIC OBJECTIVE FOUR

## Help Communities Feel Dynamic and Resilient

SERVICE/INDICATOR/MEASURE	RESULT 2014/15	RESULT 2015/16	MATERIAL VARIATIONS
<p><b>Satisfaction</b>  <i>Satisfaction with sealed local roads</i>            [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]</p>	41	36	<p>This indicator has gone down 5 points despite Council's Moloney Asset Management System data indicating that the condition of Council Roads have slightly improved in condition over the past 3 years. However, the condition of VicRoads roads in the Shire has continued to decline and as the question posed to the community does not differentiate between Council and VicRoads roads, the condition of the VicRoads roads affects the overall score.</p>
<b>ANIMAL MANAGEMENT</b>			
<p><b>Timeliness</b>  <i>Time taken to action animal requests</i>            [Number of days between receipt and first response action for all animal management requests / Number of animal management requests]</p>	0.33 days	1 day	<p>The increase in the time taken to action animal management requests is due to the requirement by LGV that the figure to be reported must be a minimum of 1, which was not a requirement in 2014/15.</p>
<p><b>Service standard</b>  <i>Animals reclaimed</i>            [Number of animals reclaimed / Number of animals collected]</p>	40%	50.55%	<p>Council has increased its communication in relation to dogs that have been impounded that do not have microchips and are not registered. This may have lead to an increase in reclaimed animals.</p>

# STRATEGIC OBJECTIVE FOUR

## Help Communities Feel Dynamic and Resilient

SERVICE/INDICATOR/MEASURE	RESULT 2014/15	RESULT 2015/16	MATERIAL VARIATIONS
<b>Service cost</b> <i>Cost of animal management service</i> [Direct cost of the animal management service/ Number of registered animals]	\$19.85	\$19.48	No material variations
<b>Health and safety</b> <i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	0	0	There were no animal management prosecutions in the 2015/16 financial year.
<b>MATERNAL AND CHILD HEALTH (MCH)</b>			
<b>Satisfaction</b> <i>Participation in first MCH home visit</i> [Number of first MCH home visits / Number of birth notifications received] x100	101%	N/A	In 2016 there was an initiative to transition the majority of Victorian councils offering Maternal and Child Health services to a new database. The database is not expected to provide reliable information until the end of September 2016. Therefore, Council is unable to report this data for 2015/16 financial year.
<b>Service standard</b> <i>Infant enrolments in the MCH service</i> [Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received] x100	98%	N/A	In 2016 there was an initiative to transition the majority of Victorian councils offering Maternal and Child Health services to a new database. The database is not expected to provide reliable information until the end of September 2016. Therefore, Council is unable to report this data for 2015/16 financial year.

# STRATEGIC OBJECTIVE FOUR

## Help Communities Feel Dynamic and Resilient

SERVICE/INDICATOR/MEASURE	RESULT 2014/15	RESULT 2015/16	MATERIAL VARIATIONS
<p><b>Service cost</b>  <i>Cost of the MCH service</i>            [Cost of the MCH service / Hours worked by MCH nurses]</p>	\$0	\$68.47	This indicator was not included in the 2014/15 reporting.
<p><b>Participation</b>  <i>Participation in the MCH service</i>            [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100</p>	85%	N/A	In 2016 there was an initiative to transition the majority of Victorian councils offering Maternal and Child Health services to a new database. The database is not expected to provide reliable information until the end of September 2016. Therefore, Council is unable to report this data for 2015/16 financial year.
<p><i>Participation in the MCH service by Aboriginal children</i>            [Number of aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100</p>	81%	N/A	- In 2016 there was an initiative to transition the majority of Victorian councils offering Maternal and Child Health services to a new database. The database is not expected to provide reliable information until the end of September 2016. Therefore, Council is unable to report this data for 2015/16 financial year.

# STRATEGIC OBJECTIVE FOUR

## Help Communities Feel Dynamic and Resilient

SERVICE/INDICATOR/MEASURE	RESULT 2014/15	RESULT 2015/16	MATERIAL VARIATIONS
<b>FOOD SAFETY</b>			
<b>Service standard</b> <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	101%	100%	No material variations
<b>Timeliness</b> <i>Time taken to action food complaints</i> [Number of days between receipt and first response action for all food complaints / Number of food complaints]	0	1.07	No material variations
<b>Service cost</b> <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]	\$133.76	\$387.95	The figures reported in 2014/15 were not calculated correctly.
<b>Heath and safety</b> <i>Critical and major non-compliance outcome 100% 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 notifications and major non-compliance outcome notifications about food premises] x100	100%	96.43%	No material variations

# OUR PERFORMANCE



## STRATEGIC OBJECTIVE FIVE:

### **MANAGE ENVIRONMENTAL SECURITY**

Take seriously its responsibility as the custodian of community resources. Commit to achieving maximum benefit for the community from all our resources while taking care of our natural environment.

# STRATEGIC OBJECTIVE FIVE

## Manage Environmental Security

The following statement reviews the performance of council against the Council Plan including results achieved in relation to the strategic indicators included in the Council Plan:

STRATEGIC INDICATOR/ MEASURE	RESULT 2014/15	RESULT 2015/16	COMMENTS
<b>Reduction in waste going into landfill</b>	47%	45.17%	The diversion rate has increased significantly from the 2013/14 rate of 27%. Council funded increased promotion of the organic waste program throughout the financial year which may have assisted in this increase
<b>Community Satisfaction Survey Rating</b> <ul style="list-style-type: none"> <li>• Waste Management</li> <li>• Environmental Sustainability</li> </ul>	69 63	65 60	Our waste management score has dropped 4 points from last year and 9 points from the 2013/14 rating. While the environmental sustainability has also dropped 3 points from 14/15.
<b>Level of participation in organic waste scheme</b>	745 residents	950 residents	The participation rate remains low in the townships where it is provided as an optional service. Options are being considered for the future including making the service compulsory, changing the frequency and alternatives just as biogas.
<b>Demonstrable reduction in carbon emissions</b> Street Lights: <ul style="list-style-type: none"> <li>• CO2 Emissions</li> <li>• Electricity Use</li> </ul>	<b>2013/14</b>  612.62 523,607.20 (kwh)	<b>2015/16</b>  352.94 312,334.69(kwh)	

The following statement reviews the progress of council in relation to major initiatives identified in the 2014/15 budget for the year:

MAJOR INITIATIVES	PROGRESS
Show leadership in educating the community in appropriate waste reduction strategies.	In 2015/16 Council continued to implement actions from its Sustainability Strategy. The Strategy was adopted by Council in April 2010 and has provided the framework for ongoing works relating to land, water, waste, liveability and climate change. Actions in 2015/16 include: <ul style="list-style-type: none"> <li>• Reduction of energy usage at HILAC by 30%</li> <li>• Replacement of the incandescent spot lights in the Gausson Gallery within the Hamilton Art Gallery</li> </ul>



## STRATEGIC OBJECTIVE FIVE

### Manage Environmental Security

The following statement provides information in relation to the services funded in the 2015/16 budget and the persons in the community who are provided the service:

SERVICE	DESCRIPTION	BUDGET EXPENDITURE (REVENUE) NET COST \$000	ACTUAL EXPENDITURE (REVENUE) NET COST \$000
<b>Landfill</b>	This service manages the disposal of non-recyclable waste within the Shire's Landfill site.	1,327 (927) 400	2,170 (1,648) 522
<b>Transfer Stations</b>	This service manages the waste and recyclables collection process at the designated transfer stations within the Shire.	510 (104) 406	537 (86) 451
<b>Waste and Recycling Collection</b>	This service manages the waste and recyclables collection process within the Shire, including the collection of kerbside bins.	1,176 (16) 1,160	1,275 (22) 1,253
<b>Natural Asset Management</b>	This service develops environmental policy, coordinates and implements environmental projects and works with other services to improve Council's environmental performance.	0 0 0	79 0 79
<b>Stormwater/ Drainage</b>	This service manages the maintenance and environmental issues associated with the stormwater/drainage networks throughout the Shire.	355 0 355	426 0 426
<b>Yatchew Drainage Authority</b>	This service is responsible for the management and maintenance of the Yatchaw Drainage Scheme.	16 (7) 9	6 (6) 0
<b>Quarry</b>	This service is responsible for the sustainability in the supply of materials for road management and the realisation of returns from an economic asset.	0 (149) (149)	92 (199) (107)

# STRATEGIC OBJECTIVE FIVE

## Manage Environmental Security

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

SERVICE/INDICATOR/MEASURE	RESULT 2014/15	RESULT 2015/16	MATERIAL VARIATIONS
<b>WASTE COLLECTION</b>			
<b>Satisfaction</b> <i>Kerbside bin collection requests</i> [Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households] x1,000	21.27	47.73	The figures reported in 2014/15 were not calculated correctly.
<b>Service standard</b> <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	1.18	3.78	The figures reported in 2014/15 were not calculated correctly.
<b>Service cost</b> <i>Cost of kerbside garbage collection service</i> [Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]	\$99.74	\$99.75	No material variations
<i>Cost of kerbside recyclables collection service</i> [Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins]	\$60.98	\$44.69	A new contract was entered into in the 2015/16 financial year which has led to significant cost savings for Council.
<b>Waste Diversion</b> <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	47%	45.17%	No material variations



# CORPORATE GOVERNANCE

Council is constituted under the Local Government Act 1989 to provide leadership for the good governance of the municipal district and the local community. Council has a number of roles including:

- taking into account the diverse needs of the local community in decision-making
- providing leadership by establishing strategic objectives and monitoring achievements
- ensuring that resources are managed in a responsible and accountable manner
- advocating the interests of the local community to other communities and governments
- fostering community cohesion and encouraging active participation in civic life

Council is committed to effective and sustainable forms of democratic and corporate governance as the key to ensuring that council and its administration meet the community's priorities. The community has many opportunities to provide input into council's decision-making processes including community consultation, public forums and the ability to make submissions to Council.

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

## MEETINGS OF COUNCIL

Ordinary meetings of the Southern Grampians Shire Council are held on the 2nd Wednesday of each month at 5:30pm in the Council Chambers, 3 Market Place, Hamilton.

The meeting is open to all who wish to attend. Councillors of the Southern Grampians Shire Council are also available to meet informally with residents between 5:00pm - 5:30pm in the Martin J. Hynes Auditorium, 5 Market Place, prior to the monthly Council Meeting Council meetings. There is also the opportunity for community members to submit a question to the Council, make a submission or speak to an item. For the 2015/16 year Council held the following meetings:

1. 13 ordinary council meetings
2. 6 special council meetings.

The following table provides a summary of councillor attendance at council meetings and special council meetings for the 2015/16 financial year.

COUNCILLOR	ORDINARY MEETING	SPECIAL MEETING	TOTAL
Cr Peter Dark (Mayor)	13	6	19
Cr Albert Calvano	12	5	17
Cr Dennis Dawson	11	6	17
Cr Katrina Rainsford	10	5	15
Cr Bruach Colliton	11	5	16
Cr Paul Battista	12	6	18
Cr Cathy Armstrong	13	6	19

# CORPORATE GOVERNANCE

## COUNCILLOR CODE OF CONDUCT

The Local Government Act 1989 provides that all Council's must develop and approve a Councillor Code of Conduct ('Code') and that the Code must be reviewed within twelve months of a general election.

The Councillor Code of Conduct was adopted at Council's meeting on 15 June 2016.

The Code acknowledges acceptance of and commitment to the Primary Principles of councillor conduct. To adhere to these a Councillor must:

- Act with integrity
- Impartially exercise his or her responsibilities in the interests of the local community
- Not improperly seek to confer an advantage or disadvantage on any person.

Councillors must also adhere to the general Councillor Conduct Principles which state a Councillor must:

- Avoid conflicts between his or her public duties as a Councillor and his or her personal interests and obligations
- Act honestly and avoid statements (whether oral or in writing) or actions that will, or are likely, to mislead or deceive a person
- Treat all persons with respect and have due regard to the opinions, beliefs, rights and responsibilities of other Councillors, Council staff and other persons
- Exercise reasonable care and diligence and submit himself or herself to the lawful scrutiny that is appropriate to his or her office
- Endeavour to ensure that public resources are used prudently and solely in the public interest
- Act lawfully and in accordance with the trust placed in him or her as an elected representative

- Support and promote these principles by leadership and example and act in a way that secures and preserves public confidence in the office of Councillor.

These Councillor Conduct Principles are articulated in the Local Government Act 1989. After adoption of the Code, all Councillors signed a copy as an expression of their commitment to uphold and abide by its content.

A copy of the Councillor Code of Conduct can be obtained from Council's Brown Street Business Centre, or viewed on Council's website [www.sthgrampians.vic.gov.au/publications&documents](http://www.sthgrampians.vic.gov.au/publications&documents)

## COUNCILLOR ALLOWANCES

The Local Government Act 1989 provides for the payment of allowances to the Mayor and Councillors.

There are three categories of Councils for the purpose of determining allowance ranges, determined on population and revenue, and Southern Grampians is in the lowest Category, being Category 1.

The allowance range limits which apply for this category are:-

- Mayor - up to \$57,812 pa
- Councillors - \$8,121 to \$19,350 pa

Section 74 of the Local Government Act 1989 (LGA) provides that Council must review the level of the Mayoral and Councillor allowances within six months of an election. In February 2013 Council reviewed the allowances payable and resolved that they remain at the maximum level applicable to Category 1.

The Minister for Local Government periodically reviews the limits and ranges of the Mayoral and Councillor allowances and makes determinations under section 73B of the LGA.

# CORPORATE GOVERNANCE

The amount equivalent to the superannuation scheme guarantee under Commonwealth taxation legislation (currently 9.5%) is payable in addition to these amounts.

Allowances set under this process remain in force for the next four financial years but may be varied if an Order in Council is made by the State Government.

The table below sets out the allowances paid and the bona fide expenses reimbursed in accordance with the Act.

COUNCILLOR	ALLOWANCE	SUPERANNUATION	OTHER ALLOWABLE EXPENDITURE	TOTAL
Dark	57,341.92	5,447.48	-	62,789.40
Calvano	19,192.80	1,823.40	7,053.92	28,070.12
Dawson	19,192.80	1,823.40	200.92	21,217.12
Armstrong	19,192.80	1,823.40	-	21,016.20
Colliton	19,192.80	1,823.40	3,784.92	24,801.12
Rainsford	19,192.80	1,823.40	4,351.36	25,367.56
Battista	19,192.80	1,823.40	2,346.70	\$23,362.90



# CORPORATE GOVERNANCE

## AUDIT COMMITTEE

The Audit Committee is an advisory committee of Council formed in accordance with section 139 of the Local Government Act 1989.

The Committee is comprised of two independent members, Mr Michael Murphy (Chair) and Mr Brian Densem and Councils' Mayor, Councillor Peter Dark. Meetings are also attended by the Chief Executive Officer, Director Community and Corporate Services, Manager Finance, Financial Services Coordinator and other staff as appropriate.

The primary objective of the Audit Committee is to assist Council in the effective conduct of its responsibilities for financial reporting, management of risk, maintaining a reliable system of internal controls and facilitating the organisation's ethical development.

The Audit Committee is established to assist the co-ordination of relevant activities of management, the internal audit function and the external auditor to facilitate achieving overall organisational objectives in an efficient and effective manner.

The Audit Committee charter outlines the role of the Committee, which includes the facilitation of:

- The enhancement of the credibility and objectivity of internal and external financial reporting
- Effective management of financial and other risks and the protection of Council assets
- Compliance with laws and regulations and consideration of best practice guidelines
- The effectiveness of the internal audit function
- The provision of an effective means of communication between the external auditor, internal audit, management and the Council.

The duties and responsibilities of the Audit Committee include reviewing:

- Council's annual financial and standard statements prior to their approval by the Council
- The annual performance statement Budget documents prior to adoption by Council
- Internal controls over revenue, expenditure, assets and liability processes
- Matters arising from external audit
- Comparative financial statements
- The impact on Council financial statements of major changes in accounting policies and regulations.

The Audit Committee met on three occasions during 2015/16 and addressed a broad range of issues including:

- Annual Financial, Standard and Performance Statements
- Budget 2016 – 2017
- Financial Statements
- Audit Plan 2016
- External Audit Strategy 2016
- Local Government Performance Reporting Framework
- Audit Committee Charter
- Internal Audit Charter
- Procurement Policy and Processes
- Victorian Auditor General Report
- Strategic Risk Register.

### Documents for Public Inspection

In accordance with Regulation 12 in the Local Government (General) Regulations 2015, the following documents are available for public inspection:

- Details of overseas or interstate travel (with the exception of interstate travel by land for less than three days) undertaken in an official

# CORPORATE GOVERNANCE

capacity by Councillors or any member of Council staff in the previous 12 months

- Agendas and minutes of ordinary and special meetings held in the previous 12 months kept under Section 93 of the Act except if the minutes relate to parts of meetings which have been closed to members of the public under Section 89 of the Act
- Minutes of meetings of special committees established under Section 86 of the Act and held in the previous 12 months, except if the minutes relate to parts of meetings which have been closed to members of the public under Section 89 of the Act
- Register of delegations kept under Sections 87, 88 and 98 of the Act
- Details of leases entered into by the Council as lessor
- Register of authorised officers appointed under Section 224 of the Act
- A list of donations and grants made by the Council during the financial year

A range of other information including the Council Plan, Annual Report, Council Code of Conduct and current Local Laws are available for viewing and downloading from Council's website [www.sthgrampians.vic.gov.au](http://www.sthgrampians.vic.gov.au)

## Privacy Act

Council collects large amounts of personal information about individuals including information about ratepayers, residents, Council staff and contractors.

Council believes that the protection of an individuals' privacy is part of its commitment towards accountability and integrity, and is strongly committed to protecting an individual's right to privacy in accordance with the requirements of the Privacy and Data Protection Act 2014 and the Health Records Act 2001.

Accordingly, Council has adopted an Information Policy for the responsible collection, storage, handling and disclosure of personal information to respect the confidentiality of personal details.

Any person who feels aggrieved by Council's handling of their personal information may make a complaint to Council's Privacy Officer on 5573 0444.

## Freedom of Information Statement

Council maintains both paper and electronic documents in respect of its operational, general administrative, financial and other functions. The disposal of these records is governed by the Public Records Act 1973 and no records are destroyed or otherwise disposed of except in accordance with the relevant standards.

The Freedom of Information Act 1982 provides the right to access information held by Council, unless that information is classified as exempt under the provisions of the Act.

Requests for access to documents must be in writing and must clearly describe the document/s being sought. An application fee applies to all requests and must be lodged with the application. This fee may be waived or varied in cases of hardship. Additional charges as specified in the Act may also apply prior to the release of any documents.

Enquiries should be directed to the Freedom of Information Officer, Southern Grampians Shire Council, Locked Bag 685, Hamilton 3300. Telephone enquiries may be made on (03) 5573 0444.

During the 2015/16 financial year, Council received no applications under the Freedom of Information Act 1982.

## Protected Disclosures Act 2012

The Independent Broad-based Anti-corruption Commission (IBAC) is responsible for identifying and preventing serious corrupt conduct across the public sector, including Councils.

# CORPORATE GOVERNANCE

The purpose of the Protected Disclosures Act 2012 is to encourage and facilitate disclosures of improper conduct by Council or Council employees and to provide protection for those who are involved in disclosure.

Council's Governance Coordinator is the Protected Disclosure Coordinator and is the initial contact point for any disclosure made under the Protected Disclosures Act 2012.

A copy of the procedure is available on Council's website [www.sthgrampians.vic.gov.au](http://www.sthgrampians.vic.gov.au)

Council can only address disclosures that relate to Council staff. Protected Disclosures about Councillors must be addressed to the IBAC or the Victorian Ombudsman.

During the 2015/16 financial year no disclosures were notified to Council officers appointed to receive disclosures or to IBAC.

## Local Laws

Local laws form an important part of Council's commitment to the community and are adopted to protect public health, safety or amenity in the Shire. They are designed to ensure that the actions of an individual or group do not have a detrimental or undesirable impact on the rest of the community. Local laws complement other legislation.

Council currently has two Local Laws in operation:

- Community Local Law No 1 of 2015 – Provides a mechanism for regulating and controlling uses and activities on Council land and roads and managing, regulating and controlling activities on any land which may be dangerous, cause a nuisance or be detrimental to the amenity of an area or the environment. This Local Law was adopted in December 2015
- Meeting Procedures Local Law No 1 of 2013 – Provides a mechanism to facilitate the good governance of the Council and to regulate the proceedings of Council Meetings, outlines the process for the election of the Mayor and regulates the use of the common seal of Council

Copies of the local laws are available for inspection at Council's Brown Street Business Centre during normal business hours and can also be downloaded from Council's website [www.sthgrampians.vic.gov.au/locallaws](http://www.sthgrampians.vic.gov.au/locallaws)





# CORPORATE GOVERNANCE

## **Domestic Animal Management Plan**

In accordance with the Domestic Animal Act 1994, Council is required to prepare a Domestic Animal Management Plan and to evaluate its implementation in its Annual Report. It is prepared in accordance with the requirements and responsibilities under the Domestic Animals Act 1994, the Southern Grampians Shire Council Community Local Law and relevant policies.

The plan identifies strategies and actions to implement the vision, aims and objectives for animal management and contains recommendations for a wide range of actions to be undertaken by Council in a programmed approach. These actions will enable Council to maintain a balance between the competing interests of animal management and to accommodate new requirements. The plan addresses topics including authorised officer training, promotion of responsible pet ownership including registration, minimisation of dog attacks, operation of the Pound facility and general service delivery throughout the municipality. The Pound is run in strict accordance with the code of practice for Pounds and Shelters.

Council is effectively implementing the actions in the Domestic Animal Management Plan. There was a slight reduction in the number of animals registered in the Shire for 2015/16. As at 30 June 2016 there were 3,204 domestic animals registered with Council; 2,432 dogs and 772 cats. The 2015/16 year saw 59 % of impounded dogs and 14 % of impounded cats reclaimed by their owners and 10 % of impounded dogs rehoused with new families. Whilst the number of impounded cats humanely destroyed appears to be disproportionately high, this is because the majority of the cats impounded by Council are feral animals.

However, this only represents the animals that were physically brought to the pound and does not include the many animals that were able to be returned to their owners before being impounded.

Enforcement of domestic animal management resulted in 5 infringements being issued.

The Domestic Animal Management Plan provides Council with a sound basis from which it can plan, coordinate and make decisions to meet the present and future needs of the community.

## **Best Value**

The Best Value principles specified in the Local Government Act 1989 are a key component of Council's continuous improvement program which is designed to continually find ways to improve its services and ensure it is addressing the community's changing needs. The Best Value principles allow Council to benchmark services, assess their efficiency and gauge whether they meet the community's needs. The aim is to continually improve the responsiveness, quality, efficiency, accessibility and value of services Council provides to the community.

## **Carer's Recognition Act 2012**

Council has taken all practicable measures to ensure staff, Council agents and volunteers working for Council are informed about the principles and obligations of the Carer's Recognition Act 2012 by including information on the care relationship in Council induction and training programs for staff working in Home and Community Care and disability services.

Council has taken all practicable measures to review and modify policies, procedures and supports to include recognition of the carer relationship.

## **The Community Inclusion Plan 2013-2017**

The Southern Grampians Community Inclusion (Disability Action) Plan 2013-17 was adopted by Council in December 2013. The four year action plan aims to improve access, inclusion and community participation for people with disability. It promotes partnerships and networks, highlights local issues, and involves all areas of Council and relevant

# CORPORATE GOVERNANCE

local organisations. The actions align with the 'environments for health' framework, as shown in the Municipal Public Health Plan. This comprises the Built/Physical Environment; the Social Environment; and the Economic Environment. The implementation of actions in the plan is now underway.

The Community Inclusion Plan 2013-2017 is Council's third Disability Action Plan; the first established in 2006. The plan provides a framework to meet the legislative requirement to prepare a Disability Action Plan (Section 38 of the Disability Act 2006). However the decision to name these plans "community inclusion" rather than focus solely on "disability action" is indicative of Council's commitment to inclusion beyond mere legislative compliance.

The overarching aim of the Plan is that people with disability are able to access services and facilities and participate fully in community life.

People with a disability make up almost twenty per cent of the Victorian community. With this number of people experiencing disability, effective practices that improve access to organisations and services and reduce discrimination and promote inclusion and community participation must be implemented. The Community Inclusion Plan 2013-2017 provides a means to join community, stakeholders and Council in the achievement of positive change.

The Community Inclusion Advisory Committee provides an opportunity for interested community members, including people with disability to have a voice on issues that are important to them. It also enables Council, stakeholders and wider community to work together to improve access and community participation and inclusion for people with disability.

## **Municipal Health and Wellbeing Plan**

The Public Health & Wellbeing Act 2008 requires every local government in Victoria to prepare a Health and Wellbeing Plan within

a year of Council elections. The Municipal Public Health and Wellbeing Plan for Southern Grampians Shire was adopted by Council in October 2013

The Southern Grampians Health and Wellbeing Plan 2013-2017 is a four year strategic plan that provides a framework to improve the health and wellbeing of the Southern Grampians Shire community. The plan identifies the health status of the community and addresses the most pressing health issues for term of the plan.

We have used the World Health Organisation's definition of health as - a state of complete physical, mental and social wellbeing, and not merely the absence of disease or infirmity (WHO, 1948) and based the plan on the social determinants of health. The social, political, economic, environmental and cultural factors that are as influential on an individual's health as their life style choices, medical or genetic factors. Addressing these upstream factors focuses on the circumstances in which people are born, grow up, live, work and age and leads to policies and strategies that consider, for example, employment, education, attention to the early years of life, housing, social connections, and access to transport, healthy food and health services.

This Plan aims to lead and inspire a large community effort and partnership towards creating an environment that will ensure good health, on equal terms, for all our residents. It promotes partnerships and networks, highlights local health issues, involves all areas of Council and relevant local organisations and describes the links to regional, state and national health priorities. It will help achieve the Shire's vision of becoming 'Australia's Most Liveable Provincial Community'.

Council recognises the importance of the provision of quality health, leisure, education and cultural services as important for businesses and individuals when making a decision on where to invest or live. Council is committed to ensuring that those services

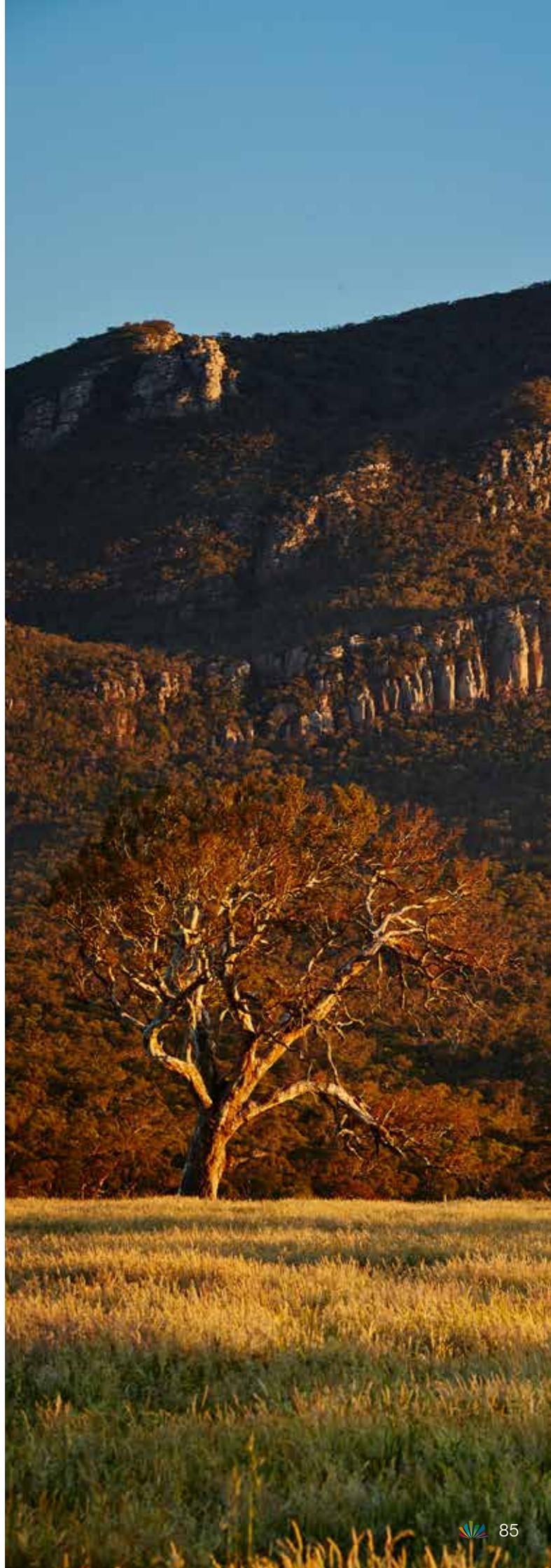
provided directly remain real competitive strengths and that strong relationships are maintained with external providers of these services.

Significant community progress has been achieved particularly in the outcome areas of seeking ways to improve educational attainment, and improving levels of physical activity and intake of healthy food, through the Beyond the Bell and GenR8 change initiatives respectively. Council has taken a strong leadership role in the campaign to end violence against women and children with all staff trained in the “Take a stand” program and support of the white ribbon day initiative. We have this year commenced a youth engagement program , the “Crazy Ideas College” seeking to improve the sense of belonging and connection for all people in our shire, including school aged youth.

### **Food Act Ministerial Directions**

In accordance with section 7E of the Food Act 1984, Council is required to publish a summary of any ministerial directions received during the financial year in its annual report.

No such ministerial directions were received by Council during the financial year.



# CORPORATE GOVERNANCE

## GOVERNANCE AND MANAGEMENT CHECKLIST

The following are the results in the prescribed form of council's assessment against the prescribed governance and management checklist:

GOVERNANCE AND MANAGEMENT ITEMS	ASSESSMENT
1 <b>Community engagement policy</b> (policy outlining council's commitment to engaging with the community on matters of public interest)	Policy Date of operation of current policy: 9 June 2010
2 <b>Community engagement guidelines</b> (guidelines to assist staff to determine when and how to engage with the community)	Guidelines Date of operation of current guidelines: 9 June 2010
3 <b>Strategic Resource Plan</b> (plan under section 126 of the Act outlining the financial and non-financial resources required for at least the next 4 financial years)	Plan adopted in accordance with section 126 of the Act Date of adoption: 29 June 2016
4 <b>Annual budget</b> (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)	Budget adopted in accordance with section 130 of the Act Date of adoption: 29 June 2016
5 <b>Asset management plans</b> (plans that set out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)	Plans Date of operation of current plans: Bridges and Culverts: 30 June 2015 Storm Water Drainage: 30 June 2016 Roads Infrastructure (incl Kerb and channel): 28 June 2011
6 <b>Rating strategy</b> (strategy setting out the rating structure of Council to levy rates and charges)	Strategy Date of operation of current strategy: 8 June 2016
7 <b>Risk policy</b> (policy outlining Council's commitment and approach to minimising the risks to Council's operations)	Policy Date of operation of current policy: 1 July 2013
8 <b>Fraud policy</b> (policy outlining council's commitment and approach to minimising the risk of fraud)	Policy Date of operation of current policy: 24 November 2009
9 <b>Municipal emergency management plan</b> (plan under section 20 of the Emergency Management Act 1986 for emergency prevention, response and recovery)	Prepared and maintained in accordance with section 20 of the Emergency Management Act 1986 Date of preparation: 13 May 2015

# CORPORATE GOVERNANCE

GOVERNANCE AND MANAGEMENT ITEMS	ASSESSMENT
10 <b>Procurement policy</b> (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)	Prepared and approved in accordance with section 186A of the Local Government Act 1989 Date of approval: 9 December 2015 and 8 July 2015
11 <b>Business continuity plan</b> (plan setting out the actions that will be undertaken to ensure that key services continue to operate in the event of a disaster)	Plan Date of operation of current plan: 1 February 2012
12 <b>Disaster recovery plan</b> (plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster)	Plan Date of operation of current plan: 1 February 2012
13 <b>Risk management framework</b> (framework outlining council's approach to managing risks to the Council's operations)	Framework Date of operation of current framework: 1 July 2013
14 <b>Audit Committee</b> (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)	Established in accordance with section 139 of the Act Date of establishment: 9 April 1999
15 <b>Internal audit</b> (independent accounting professionals engaged by the council to provide analyses and recommendations aimed at improving council's governance, risk and management controls)	Not Engaged Council's Audit Committee is currently reviewing the role of Internal Audit with the view to appointing a contractor. A draft internal audit charter and specification has been developed.
16 <b>Performance reporting framework</b> (a set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 131 of the Act)	Framework Date of operation of current framework: 1 July 2014
17 <b>Council Plan reporting</b> (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)	Report Date of report: 10 February 2016 and 9 December 2015
18 <b>Financial reporting</b> (quarterly statements to Council under section 138 of the Act comparing budgeted revenue and expenditure with actual revenue and expenditure)	Quarterly statements presented to council in accordance with section 138(1) of the Act Date statements presented: 11 November 2015, 9 December 2015, 10 February 2016, 9 March 2016, 13 April 2016, 11 May 2016 and 8 June 2016

# CORPORATE GOVERNANCE

GOVERNANCE AND MANAGEMENT ITEMS	ASSESSMENT
19 <b>Risk reporting</b> (six-monthly reports of strategic risks to council's operations, their likelihood and consequences of occurring and risk minimisation strategies)	Reports Date of reports: 19 November 2015 and 12 April 2016, 20 April 2016 and 14 March 2016
20 <b>Performance reporting</b> (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)	Report Date of report: 11 November 2015, 10 February 2016, 9 March 2016, 13 April 2016, 11 May 2016 and 8 June 2016
21 <b>Annual report</b> (annual report under sections 131, 132 and 133 of the Act to the community containing a report of operations and audited financial and performance statements)	Considered at a meeting of council in accordance with section 134 of the Act Date statements presented: 29 September 2015
22 <b>Councillor Code of Conduct</b> (Code under section 76C of the Act setting out the conduct principles and the dispute resolution processes to be followed by Councillors)	Reviewed in accordance with section 76C of the Act Date reviewed: 15 June 2016
23 <b>Delegations</b> (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 section 98(6) of the Act Dates of review: 8 July 2015, 11 May 2016, 31 July 2015 and 31 July 2015
24 Meeting procedures (a local law governing the conduct of meetings of council and special committees)	Meeting procedures local law made in accordance with section 91(1) of the Act Date local law made: 18 October 2013



# FINANCIAL INFORMATION

## UNDERSTANDING THESE ACCOUNTS

The Financial Statements have been prepared in accordance with the Local Government Act 1989, the Local Government (Finance & Reporting) Regulations 2004, Australian Accounting Standards and authoritative pronouncements of the Australian Accounting Standards Board. The Financial Statements have been prepared on the basis of historical costs, except where specifically stated otherwise. They have also been prepared on an accruals and ongoing concern basis.

The statements are audited by the Victorian Auditor-General's agent before being approved in principle by Council's Audit Committee and Council itself. The Financial Statements are then forwarded to the Auditor-General for approval.

For this financial year Council has received a clear audit of its Financial Statements.

The General Purpose Financial Statements are comprised of a Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows and Notes to and forming part of the Statements. These Statements compare the previous year's results with the current year.

## FINANCIAL OVERVIEW

Council's audited 2015/16 Financial Statements are included from page 89-94 of this report.

Council continues to be in a sound financial position and achieved an operating deficit of \$2.570 million.

Council has a working capital ratio of 1.95:1



# FINANCIAL INFORMATION

this year (2014/15 2.28:1). The Working Capital Ratio assesses Council's ability to meet current commitments and means that Council has \$1.95 of cash and current assets for every \$1.00 of current liabilities.

Unrestricted cash on hand at 30 June 2016 was \$6.622 million which includes investments of \$2.9 million for payment of long service leave entitlements, \$1.595m for the future provision of landfill remediation, and \$1.2m defined benefits super call contingency. Restricted cash of \$1.322 million is for specific reserve funds and trust deposits.

Borrowings outstanding at 30 June 2016 totalled \$3.001 million. Trade and other payables was \$1.670m.

Council had a net overall cash outflow for the year of \$6.093 million compared to a budgeted inflow of \$2.670 million.

Council achieved a Net Cash Flow of \$9.218 million from Operating Activities compared to a budget of \$14.731 million for the financial year.

## RATING

Rates and Charges provide 48 percent of Council's total revenue in 2015/16.

Council's rating strategy seeks to ensure consistency and equity in the levying of rates and charges. Differential rates are levied on the capital improved valuation of all rateable land to reflect the different standard, range and access to municipal services available to residents and ratepayers in the different areas of the Shire.

The lower differential rate is fixed at 80 percent of the higher differential rate.

## LOOKING AHEAD

The Council, in developing its financial strategy, has taken a long-term view to budgeting and planning. The preparation of the Long Term Financial Plan includes a number of assumptions, which are reviewed annually and updated to reflect new or revised circumstances. In preparing its long-

term financial plan, a number of internal and external influences impact on the capacity of Council to fund ongoing capital needs including increasing costs associated with the maintenance and renewal of Council's ageing infrastructure assets, improvements in waste management services and facilities, improved asset management practices, demand for leisure and recreation facilities, Council services generally and plant replacement.

The Council continues to receive funding from the Federal Government (via the Victorian Grants Commission) and under the "Roads to Recovery" program for the local road network.

The key objective of the Financial Plan is financial sustainability in the medium to long term, whilst still achieving the Council's corporate objectives as specified in the Council Plan.

## COMPREHENSIVE INCOME STATEMENT

The Comprehensive Income Statement includes all sources of income, less all operating expenses or expenses incurred in delivering Council services. This includes depreciation, or the writing down of the value of buildings, roads, footpaths, drains and all other infrastructure assets which are used to deliver Council services.

These assets are depreciated over the life of the asset as they are consumed. Capital costs or new assets purchased or created during the year are excluded from the Statement, but are depreciated as they are used.

The Statement is prepared on an accrual basis. This means that all revenue and expenditure for the year is recognised even though the revenue may not yet be received or expenses not yet paid.

The key figure is the Surplus (Deficit) which is the equivalent to the profit or (loss) of Council for the year. Council Expenses were \$41.207 million with Revenue \$38.637 million leaving a deficit of \$2.570 million.

# FINANCIAL INFORMATION

## BALANCE SHEET

The Balance Sheet shows what the Council owns as assets and what it owes as liabilities.

Both Assets and Liabilities are expressed as current or non-current. Current means that these are Assets or Liabilities that will be expected to be paid or could be converted into cash within the next 12 months. The bottom line of this Statement is Net Assets which is the net worth of Council built up over the years.

The Council's Balance Sheet indicates Council is in a sound position. Its Current Assets consist predominately of cash assets and are 1.95 times Current Liabilities which demonstrates that Council has sufficient funds on hand to pay liabilities as they fall due.

## STATEMENT IN CHANGES OF EQUITY

The Statement of Changes in Equity shows the value of changes to Total Ratepayers Equity (net assets) and how these changes arose.

Council's net worth can only change through the 'profit (loss) for the year' from operations as recorded in the Comprehensive Income Statement or an increase in the value of non-current assets resulting from a revaluation of those assets.

Council's Net Equity increased from \$330.426 million to \$335.957 million in 2015/16. This increase of \$5.531 million arose from the operating deficit of (\$2.570) million together with asset revaluations of \$8.101 million.

## STATEMENT OF CASH FLOWS

The Statement of Cash Flows summarises Council's cash payments and cash receipts for the year.

It differs from the Comprehensive Income Statement in that it:

- excludes the accruals taken into account in the Comprehensive Income Statement
- excludes non-cash expenses such as depreciation

- includes payments or receipts in relation to capital items
- includes any 'financing' activities such as loan proceeds and payments.

The Cash Flow from Operating Activities summarises all of the Income and Expenses in relation to Council's ongoing service delivery. A surplus ensures that Council can maintain its day-to-day operations as well as provide funds for future community investments.

The Cash Flow from Investing Activities refers to Council's Capital Works expenditure as well as any receipts for the sale of assets.

Cash Flow from Financing Activities refers to the repayment of loans and repayments for Council's unfunded superannuation liabilities.

## STATEMENT OF CAPITAL WORKS

The Statement of Capital Works compares the expenditure allocated to the various categories of assets Council maintains for the purpose of delivering services. This statement compares the level of expenditure compared to the previous year.

It also provides a breakdown of the expenses into the development of new assets, renewing existing assets or upgrading and/or expanding assets.

## NOTES TO THE ACCOUNTS

Notes to the Accounts provide details of Council's accounting policies, expands on the summary figures contained in the five key financial statements and includes other information such as financial performance indicators, the cost of various functions of Council and contingent liabilities.

# FINANCIAL STATEMENTS

## for the year ended 30 June 2016

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# FINANCIAL STATEMENTS

## for the year ended 30 June 2016

### COMPREHENSIVE INCOME STATEMENT

	Note	2016 \$'000	2015 \$'000
<b>Income</b>			
Rates and charges	3	18,434	17,275
Statutory fees and fines	4	493	501
User fees	5	6,455	6,325
Grants - operating	6	6,257	13,468
Grants - capital	6	5,239	4,098
Contributions - monetary	7	36	375
Contributions - non monetary	7	378	121
Net gain (or loss) on disposal of property, infrastructure, plant and equipment	8	54	(92)
Fair value adjustments for investment property	24	20	(142)
Other income	9	1,271	2,465
<b>Total income</b>		<b>38,637</b>	<b>44,394</b>
<b>Expenses</b>			
Employee costs	10	(16,545)	(16,416)
Materials and services	11	(7,976)	(10,447)
Bad and doubtful debts	12	(27)	(1)
Depreciation and amortisation	13	(10,310)	(9,609)
Assets Written Off	14	(2,472)	-
Adjustment to Landfill Provision	15	106	-
Borrowing costs	16	(215)	(239)
Other expenses	17	(3,768)	(3,935)
<b>Total expenses</b>		<b>(41,207)</b>	<b>(40,647)</b>
<b>Surplus/(deficit) for the year</b>		<b>(2,570)</b>	<b>3,747</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to surplus or deficit in future periods</b>			
Net asset revaluation increment/(decrement)	23	8,101	34,539
<b>Total comprehensive result</b>		<b>5,531</b>	<b>38,286</b>

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

# FINANCIAL STATEMENTS

## for the year ended 30 June 2016

### BALANCE SHEET AS AT 30 JUNE 2016

	Note	2016 \$'000	2015 \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	18	5,327	11,420
Trade and other receivables	19	3,085	2,435
Other financial assets	20	7,165	4,084
Inventories	21	1,128	1,243
Other assets	22	476	467
<b>Total current assets</b>		<b>17,181</b>	<b>19,649</b>
<b>Non-current assets</b>			
Trade and other receivables	19	164	228
Property, infrastructure, plant and equipment	23	331,256	323,970
Investment property	24	1,063	1,043
<b>Total non-current assets</b>		<b>332,483</b>	<b>325,241</b>
<b>Total assets</b>		<b>349,664</b>	<b>344,890</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	25	1,670	2,163
Trust funds and deposits	26	377	524
Provisions	27	6,389	5,615
Interest-bearing loans and borrowings	28	357	334
<b>Total current liabilities</b>		<b>8,793</b>	<b>8,636</b>
<b>Non-current liabilities</b>			
Provisions	27	2,270	2,827
Interest-bearing loans and borrowings	28	2,644	3,001
<b>Total non-current liabilities</b>		<b>4,914</b>	<b>5,828</b>
<b>Total liabilities</b>		<b>13,707</b>	<b>14,464</b>
<b>Net assets</b>		<b>335,957</b>	<b>330,426</b>
<b>Equity</b>			
Accumulated surplus		134,822	137,451
Reserves	29	201,135	192,975
<b>Total Equity</b>		<b>335,957</b>	<b>330,426</b>

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

# FINANCIAL STATEMENTS

## for the year ended 30 June 2016

### STATEMENT OF CHANGES IN EQUITY

2016	Note	Total	Accumulated	Revaluation	Other
		\$'000	Surplus \$'000	Reserve \$'000	Reserves \$'000
Balance at beginning of the financial year		330,426	137,451	192,362	613
Surplus/(deficit) for the year		(2,570)	(2,570)	-	-
Net asset revaluation increment/(decrement)	28(a)	8,101	-	8,101	-
Transfers to other reserves	28(b)	-	(59)	-	59
<b>Balance at end of the financial year</b>		<b>335,957</b>	<b>134,822</b>	<b>200,463</b>	<b>672</b>

2015		Total	Accumulated	Revaluation	Other
		\$'000	Surplus \$'000	Reserve \$'000	Reserves \$'000
Balance at beginning of the financial year		292,140	133,795	157,823	522
Surplus/(deficit) for the year		3,747	3,747	-	-
Net asset revaluation increment/(decrement)	28(a)	34,539	-	34,539	-
Transfers to other reserves	28(b)	-	(91)	-	91
Transfers from other reserves	28(b)	-	-	-	-
<b>Balance at end of the financial year</b>		<b>330,426</b>	<b>137,451</b>	<b>192,362</b>	<b>613</b>

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

# FINANCIAL STATEMENTS

## for the year ended 30 June 2016

### STATEMENT OF CASH FLOWS

	Note	2016 Inflows/ (Outflows) \$'000	2015 Inflows/ (Outflows) \$'000
<b>Cash flows from operating activities</b>			
Rates and charges		18,306	17,411
Statutory fees and fines		490	501
User fees		6,455	6,324
Grants - operating		6,257	13,468
Grants - capital		5,239	4,098
Contributions - monetary		36	375
Interest received		387	366
Trust funds and deposits taken		81	8
Other receipts		575	3,612
Net GST payment		(166)	(84)
Employee costs		(16,783)	(15,990)
Materials and services		(8,454)	(11,328)
Trust funds and deposits repaid		(228)	(37)
Other payments		(2,977)	(2,917)
<b>Net cash provided by/(used in) operating activities</b>	29	<b>9,218</b>	<b>15,807</b>
<b>Cash flows from investing activities</b>			
Payments for property, infrastructure, plant and equipment	22	(12,058)	(10,071)
Proceeds from sale of property, infrastructure, plant and equipment		320	508
Payments for investments		(3,025)	3,342
<b>Net cash provided by/(used in) investing activities</b>		<b>(14,763)</b>	<b>(6,221)</b>
<b>Cash flows from financing activities</b>			
Finance costs		(214)	(239)
Proceeds from borrowings		-	-
Repayment of borrowings		(334)	(311)
<b>Net cash provided by/(used in) financing activities</b>		<b>(548)</b>	<b>(550)</b>
Net increase (decrease) in cash and cash equivalents		(6,093)	9,036
Cash and cash equivalents at the beginning of the financial year		11,420	2,384
<b>Cash and cash equivalents at the end of the financial year</b>		<b>5,327</b>	<b>11,420</b>
Financing arrangements	32		
Restrictions on cash assets	18		

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

# FINANCIAL STATEMENTS

## for the year ended 30 June 2016

### STATEMENT OF CAPITAL WORKS

	Note	2016 \$'000	2015 \$'000
<b>Property</b>			
Land/Land improvements		253	478
<b>Total land</b>		<u>253</u>	<u>478</u>
<b>Buildings</b>			
Building improvements		720	164
<b>Total buildings</b>		<u>720</u>	<u>164</u>
<b>Total property</b>		<u>973</u>	<u>642</u>
<b>Plant and equipment</b>			
Art gallery collection		283	33
Plant, machinery and equipment		1,380	1,758
Fixtures, fittings and furniture		806	196
Library books		75	82
<b>Total plant and equipment</b>		<u>2,544</u>	<u>2,069</u>
<b>Infrastructure</b>			
Roads		4,198	4,333
Bridges		82	578
Footpaths and cycleways		364	130
Drainage		4	6
Recreational, leisure and community facilities		-	764
Waste management		-	382
Airport		1,175	49
Other infrastructure		2,064	1,118
<b>Total infrastructure</b>		<u>7,887</u>	<u>7,360</u>
<b>Total capital works expenditure</b>		<u>11,404</u>	<u>10,071</u>
<b>Represented by:</b>			
New asset expenditure		997	745
Asset renewal expenditure		6,639	6,851
Asset expansion expenditure		1,938	520
Asset upgrade expenditure		1,830	1,955
<b>Total capital works expenditure</b>		<u>11,404</u>	<u>10,071</u>

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

# NOTES TO THE FINANCIAL REPORT

## for the year ended 30 June 2016

### Introduction

The Southern Grampians Shire Council was established by an Order of the Governor in Council on 23 September 1994 and is a body corporate.

The Council's main office is located at 111 Brown Street, Hamilton, Victoria.

### Statement of compliance

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

### Note 1 Significant accounting policies

#### (a) Basis of accounting

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

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

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

- the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 1 (k) )
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 1 (l) )
- the determination of employee provisions (refer to Note 1 (t) )
- the determination of landfill rehabilitation (refer to Note 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

The consolidated financial statements of Council incorporate all entities controlled by Council as at 30 June 2016, and their income and expenses for that part of the reporting period in which control existed.

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.

Where dissimilar accounting policies are adopted by entities and their effect is considered material, adjustments are made to ensure consistent policies are adopted in these financial statements.

In the process of preparing consolidated financial statements all material transactions and balances between consolidated entities are eliminated.

Yatchaw Drainage Authority is an Advisory Committee of Council. Council levies a special rate for the specific purpose of maintaining the drainage system. It maintains separate bank accounts under interfund accounting, however Council is the controlling entity.

#### (d) Committees of management

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

# NOTES TO THE FINANCIAL REPORT

## for the year ended 30 June 2016

### Note 1 Significant accounting policies (cont.)

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

##### *User fees*

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

##### *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, infrastructure, plant and equipment*

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

##### *Interest*

Interest is recognised as it is earned.

##### *Other Income*

Other income is measured at the fair value of the consideration received or receivable and is recognised when Council gains control over the right to receive the income.

# NOTES TO THE FINANCIAL REPORT

## for the year ended 30 June 2016

### Note 1 Significant accounting policies (cont.)

#### (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. Inventories are measured at the lower of cost and net realisable value.

All other inventories, including land held for sale, are measured at the lower of cost and net realisable value.

Where inventories are acquired for no cost or nominal consideration, they are measured at current replacement cost at the date of acquisition.

#### (k) Recognition and measurement of property, plant and equipment, infrastructure, intangibles

##### *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.

In accordance with Council's policy, the threshold limits detailed in Note 1 n have applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year.

# NOTES TO THE FINANCIAL REPORT

## for the year ended 30 June 2016

### Note 1 Significant accounting policies (cont.)

#### (k) Recognition and measurement of property, plant and equipment, infrastructure, intangibles (cont'd)

##### *Revaluation*

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

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use of an asset result in changes to the permissible or practical highest and best use of the asset. Further details regarding the fair value hierarchy are disclosed at Note 23 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 10 years. The valuation is performed either by experienced council officers or independent experts.

Where the assets are revalued, the revaluation increments are credited directly to the asset revaluation reserve except to the extent that an increment reverses a prior year decrement for that class of asset that had been recognised as an expense in which case the increment is recognised as revenue up to the amount of the expense. Revaluation decrements are recognised as an expense except where prior increments are included in the asset revaluation reserve for that class of asset in which case the decrement is taken to the reserve to the extent of the remaining increments. Within the same class of assets, revaluation increments and decrements within the year are offset.

##### *Land under roads*

Land under road acquired after 30 June 2008 is brought to account using fair value basis. Council does not recognise land under roads that it controlled prior to that period in its financial report.

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

Road earthworks are not depreciated on the basis that they are assessed as not having a limited useful life.

Straight line depreciation is charged based on the residual useful life as determined each year.

Depreciation periods used are listed below and are consistent with the prior year unless otherwise stated.

# NOTES TO THE FINANCIAL REPORT

## for the year ended 30 June 2016

### Note 1 Significant accounting policies (cont.)

#### (l) Depreciation and amortisation of property, infrastructure plant and equipment and intangibles (cont'd)

*Asset recognition thresholds and depreciation periods*

	Depreciation Period	Threshold Limit \$'000
<b>2016</b>		
Property		
land improvements	100 years	1
Buildings		
buildings	25-110 years	1
Plant and Equipment		
plant, machinery and equipment	5-12 years	1
fixtures, fittings and furniture	3-10 years	1
Infrastructure		
road pavements and seals	15-115 years	1
road substructure	15-115 years	1
road formation and earthworks	15-115 years	1
road kerb, channel and minor culverts	15-115 years	1
bridges deck	15-115 years	1
bridges substructure	15-115 years	1
footpaths and cycleways	10-70 years	1
drainage	100 years	1
<b>2015</b>		
Property		
land improvements	100 years	1
Buildings		
buildings	25-100 years	1
Plant and Equipment		
plant, machinery and equipment	5-12 years	1
fixtures, fittings and furniture	3-10 years	1
Infrastructure		
road pavements and seals	15-115 years	1
road substructure	15-115 years	1
road formation and earthworks	15-115 years	1
road kerb, channel and minor culverts	15-115 years	1
bridges deck	15-115 years	1
bridges substructure	100 years	1
footpaths and cycleways	10-70 years	1
drainage	100 years	1

#### (m) 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.

#### (n) Investment property

Investment property, is held to generate long-term rental yields. Investment property is measured initially at cost, including transaction costs. Costs incurred subsequent to initial acquisition are capitalised when it is probable that future economic benefit in excess of the originally assessed performance of the asset will flow to the Council. Subsequent to initial recognition at cost, investment property is carried at fair value, determined annually by independent valuers. Changes to fair value are recorded in the comprehensive income statement in the period that they arise. Rental income from the leasing of investment properties is recognised in the comprehensive income statement on a straight line basis over the lease term.

#### (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.

# NOTES TO THE FINANCIAL REPORT

## for the year ended 30 June 2016

### Note 1 Significant accounting policies (cont.)

#### (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 to Note 26).

#### (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. The 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 bank overdrafts, interest on borrowings, and finance lease charges.

#### (r) Employee costs and benefits

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

##### *Wages and salaries and annual leave*

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

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

##### *Long service leave*

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

Current liability - unconditional LSL 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 wholly settled within 12 months.
- nominal value - component that is expected to be wholly settled within 12 months.

##### *Classification of employee costs*

Non-current liability - conditional LSL that has been accrued, where an employee is yet to reach a qualifying term of employment, is disclosed as a non - current liability. 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.

#### (s) Landfill rehabilitation provision

Council is obligated to restore Hamilton and Coleraine sites 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.

# NOTES TO THE FINANCIAL REPORT

## for the year ended 30 June 2016

### Note 1 Significant accounting policies (cont.)

#### (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.

##### *Leasehold improvements*

Leasehold improvements are recognised at cost and are amortised over the unexpired period of the lease or the estimated useful life of the improvement, whichever is the shorter. At balance date, leasehold improvements are amortised over a <> to <> year period.

#### (u) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. 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 the right will be exercised. Details of guarantees that Council has provided, that are not recognised in the balance sheet, are disclosed at Note 36 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 thousand dollars. Figures in the financial statement may not equate due to rounding.

# NOTES TO THE FINANCIAL REPORT

## for the year ended 30 June 2016

### 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 \$100k 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 for 2015/16. The Budget was based on assumptions that were relevant at the time of adoption of the Budget. Council sets guidelines and parameters for income 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	Actual	Variance	Ref
	2016	2016	2016	
	\$'000	\$'000	\$'000	
<b>Income</b>				
Rates and charges	17,669	17,917	248	1
Statutory fees and fines	563	493	(70)	2
User fees	5,967	6,455	488	3
Grants - operating	9,727	6,257	(3,470)	4
Grants - capital	6,204	5,239	(965)	5
Contributions - monetary	65	36	(29)	6
Contributions - non monetary	-	378	378	7
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	-	54	54	
Fair value adjustments for investment property	-	20	20	
Other income	1,936	1,271	(665)	8
<b>Total income</b>	<b>42,131</b>	<b>38,120</b>	<b>(4,011)</b>	
<b>Expenses</b>				
Employee costs	15,533	16,545	(1,012)	9
Materials and services	10,046	7,976	2,070	10
Bad and doubtful debts	-	27	(27)	
Depreciation and amortisation	8,830	10,310	(1,480)	11
Assets Written Off	-	2,472	(2,472)	12
Adjustment to Landfill Provision	-	(106)	106	13
Borrowing costs	214	215	(1)	
Other expenses	1,921	3,251	(1,330)	14
<b>Total expenses</b>	<b>36,544</b>	<b>40,690</b>	<b>(4,146)</b>	
<b>Surplus/(deficit) for the year</b>	<b>5,587</b>	<b>(2,570)</b>	<b>(8,157)</b>	

### (i) Explanation of material variations

Variance Ref	Item	Explanation
1	Rates and charges	Rate Interest \$76k unbudgeted and unbudgeted supplementary valuations \$172k
2	Statutory fees and fines	Building Fees \$38k and Animal Fees \$22k lower than budgeted.
3	User fees	User Fees not budgeted for Private Works \$219k and Old Hamilton Reservoir Water Fees \$157k
4	Grants - operating	Victorian Grants Commission Installment \$3.5 mil received in 2014/15 for 2015/16.
5	Grants - capital	Livestock Exchange Upgrade Budget funding \$744k to be received in 2016/17 and \$295k budgeted for Ansett Museum not received
6	Contributions - monetary	Monetary contributions are unpredictable in amount the \$36k of the contributions are linked to purchases of artwork made on request by the "Friends of the Art Gallery Board".
7	Contributions - non monetary	Contributions not budgeted including \$270k Art Gallery and \$96k Pedrina Park Changerooms In-kind works
8	Other income	Reduction in Works Performed under Vicroads Contract \$973k
9	Employee costs	Works performed in-house rather than using contractors contributed to \$1,012k under budget.
10	Materials and services	Some works performed in-house rather than using contractors. Expenditure budgeted under Materials and Services expensed under the Other Expenses category. Also Landfill Operations \$192k, Rate Operations \$135k, Vicroads Contract \$126k, Healthy Ageing \$107k, Lonsdale St revitalisation \$105k, Open Space Strategy \$100k and FARS Project \$100k all under budget.
11	Depreciation and amortisation	Revaluation resulted in additional depreciation expense for buildings \$175k and roads & bridges \$1,192k
12	Assets Written Off	Unbudgeted write-off of Landfill \$1,686k and Livestock Exchange \$1,207k assets.
13	Adjustment to Landfill Provision	Unbudgeted adjustments to Landfill Provisions \$106k
14	Other expenses	Other expenses was consistent with previous years, but expenditure had been budgeted under materials and services in the 2015/16 year.

# NOTES TO THE FINANCIAL REPORT

## for the year ended 30 June 2016

### Note 2 Budget comparison (cont)

#### (b) Capital Works

	Budget 2016 \$'000	Actual 2016 \$'000	Variance 2016 \$'000	Ref
<b>Property</b>				
Land/Land improvements	-	253	253	1
<b>Total Land</b>	-	253	253	
Building improvements	678	720	42	
<b>Total Buildings</b>	678	720	42	
<b>Total Property</b>	678	973	295	
<b>Plant and Equipment</b>				
Plant, machinery and equipment	1,328	1,380	52	
Furniture & Equipment	35	528	493	2
Computers and telecommunications	323	278	(45)	3
Library books	56	75	19	4
Art gallery collection	33	283	250	5
<b>Total Plant and Equipment</b>	1,775	2,544	769	
<b>Infrastructure</b>				
Roads, kerb and channel	3,066	4,198	1,132	6
Bridges	375	82	(293)	7
Footpaths and cycleways	1,039	364	(675)	8
Drainage	116	4	(112)	9
Recreational, leisure and community facilities	310	-	(310)	10
Waste management	1,365	-	(1,365)	11
Airport	2,550	1,175	(1,375)	12
Livestock Exchange	2,079	1,609	(470)	13
Other infrastructure	50	455	405	14
<b>Total Infrastructure</b>	10,950	7,887	(3,063)	
<b>Total Capital Works Expenditure</b>	13,403	11,404	(1,999)	
<b>Represented by:</b>				
New asset expenditure	7,257	997	(6,260)	
Asset renewal expenditure	1,062	6,639	5,577	
Asset expansion expenditure	-	1,938	1,938	
Asset upgrade expenditure	5,084	1,830	(3,254)	
<b>Total Capital Works Expenditure</b>	13,403	11,404	(1,999)	

#### (i) Explanation of material variations

Variance Ref	Item	Explanation
1	Land/Land improvements	Unbudgeted works \$253k to complete development of landfill site commenced in 2015
2	Furniture & Equipment	Includes \$461k major equipment relating to airport upgrade - Refer Note 12 and 14
3	Computers and telecommunications	\$35k requested to be carried over to 2017 for upgrade of Councillor computers
4	Library books	Council received additional funds of \$14k for the purchase of books
5	Art gallery collection	Unbudgeted contributed artworks \$270k
6	Roads, kerb and channel	Additional RTR funding \$1,188k received during the year and spent
7	Bridges	Camerons Road Bridge \$300k not commenced
8	Footpaths and cycleways	Mt Sturgeon Loop Walk \$527k not commenced
9	Drainage	King St - Holden St Design works \$100k not commenced
10	Recreational, leisure and community facilities	Capital costed to building improvements rather than recreational, leisure & community facilities
11	Waste management	Only minimal remediation works at Hamilton landfill completed
12	Airport	Airport extension works completed in 2015/16. See also Note 2 and 14
13	Livestock Exchange	Livestock Exchange Upgrade included works budgeted in 2014/15
14	Other infrastructure	Includes infrastructure relating to airport upgrade - Refer Note 2 and 12

# NOTES TO THE FINANCIAL REPORT

## for the year ended 30 June 2016

	2016 \$'000	2015 \$'000
<b>Note 3 Rates and charges</b>		
<p>Council uses the Capital Improved Value (CIV) as the basis of valuation of all properties within the municipal district. The CIV of a property means the sum which the land, if it were held for an estate in fee simple unencumbered by any lease, mortgage or other charge, might be expected to realise at the time of valuation if offered for sale on any reasonable terms and conditions which a genuine seller might in ordinary circumstances be expected to require.</p> <p>The valuation base used to calculate general rates for 2015/16 was \$3,844 million (2014/15 \$3,822 million).</p>		
General Rates	15,195	14,262
Municipal charge	1,696	1,598
Garbage & Recycling Charge	1,303	1,203
Green Waste Charge	67	55
Special rates and charges	5	4
Revenue in lieu of rates	168	153
<b>Total rates and charges</b>	<b>18,434</b>	<b>17,275</b>
<p>The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2016, and the valuation will be first applied in the rating year commencing 1 July 2016.</p>		
<b>Note 4 Statutory fees and fines</b>		
Infringements and costs	21	41
Registrations	100	100
Town planning fees	101	64
Land information certificates	12	22
Permits	259	274
<b>Total statutory fees and fines</b>	<b>493</b>	<b>501</b>
<b>Note 5 User fees</b>		
Airport	31	37
Cinema Operations	315	274
Cultural Festivals	18	27
Facility Rental and Hire	43	43
Family Day Care	288	228
Hamilton Indoor Leisure & Aquatic Centre	1,232	1,191
Home and Community Care Services	712	642
Livestock Exchange	1,410	1,505
Meals Services	216	236
Outdoor Swimming Pools	58	50
Parking Control	148	182
Performing Arts Centre	174	148
Private Works	220	55
Property Rentals and Leases	79	111
Quarry Operations	155	199
Tourism & Economic Development	51	0
Waste Management Services	1,006	1,156
Old Hamilton Reservoir	157	121
Other fees and Charges	142	120
<b>Total user fees</b>	<b>6,455</b>	<b>6,325</b>

# NOTES TO THE FINANCIAL REPORT

## for the year ended 30 June 2016

	2016 \$'000	2015 \$'000
<b>Note 6 Grants</b>		
Grants were received in respect of the following :		
<b>Summary of grants</b>		
Commonwealth funded grants	7,693	12,328
State funded grants	3,763	4,512
Others	40	917
<b>Total grants received</b>	<u>11,496</u>	<u>17,757</u>
<b>Operating Grants</b>		
<b>Recurrent - Commonwealth Government</b>		
Victoria Grants Commission	3,275	10,153
Childrens Services	525	494
<b>Recurrent - State Government</b>		
Art Gallery	110	110
Community Safety	26	29
Aged & Disabled Services	1,267	1,254
Cultural Services	80	85
Libraries	155	157
Inclusive Activities	114	109
Other	15	18
<b>Total recurrent operating grants</b>	<u>5,567</u>	<u>12,409</u>
<b>Non-recurrent - State Government</b>		
Community Events	16	20
Community Planning & Support	74	49
Environmental Management	63	1
Emergency Services	152	160
Local Infrastructure	310	498
Recreation	32	176
Strategic Planning	3	140
Waste Management	0	15
<b>Total non-recurrent operating grants</b>	<u>650</u>	<u>1,059</u>
Other	40	0
<b>Total operating grants</b>	<u>6,257</u>	<u>13,468</u>
<b>Capital Grants</b>		
<b>Recurrent - Commonwealth Government</b>		
Roads to recovery	3,787	1,521
<b>Total recurrent capital grants</b>	<u>3,787</u>	<u>1,521</u>
<b>Non-recurrent - Commonwealth Government</b>		
Airport	0	547
Other Infrastructure	106	160
<b>Non-recurrent - State Government</b>		
Airport	1,271	0
Buildings	55	1,870
Other Infrastructure	20	0
<b>Total non-recurrent capital grants</b>	<u>1,452</u>	<u>2,577</u>
<b>Total capital grants</b>	<u>5,239</u>	<u>4,098</u>
<b>Unspent grants received on condition that they be spent in a specific manner</b>		
Balance at start of year	0	1,000
Received during the financial year and remained unspent at balance date	107	0
Received in prior years and spent during the financial year	0	1,000
<b>Balance at year end</b>	<u>107</u>	<u>0</u>

# NOTES TO THE FINANCIAL REPORT

## for the year ended 30 June 2016

	2016 \$'000	2015 \$'000
<b>Note 7 Contributions</b>		
Monetary	36	375
Non-monetary	378	121
<b>Total contributions</b>	<u>414</u>	<u>496</u>
<i>Contributions of non monetary assets were received in relation to the following asset classes.</i>		
Buildings	106	0
Art Collection	270	121
Other	2	0
<b>Total non-monetary contributions</b>	<u>378</u>	<u>121</u>
<b>Note 8 Net gain/(loss) on disposal of property, infrastructure, plant and equipment</b>		
Proceeds of sale	374	515
Written down value of assets disposed	(320)	(607)
<b>Total net gain/(loss) on disposal of property, infrastructure, plant and equipment</b>	<u>54</u>	<u>(92)</u>
<b>Note 9 Other income</b>		
Interest	387	366
Vicroads	321	1,294
Found assets	78	0
Other	485	805
<b>Total other income</b>	<u>1,271</u>	<u>2,465</u>
<b>Note 10 (a) Employee costs</b>		
Wages and salaries	12,736	11,955
Leave - Annual, Long Service & Sick	1,760	2,166
Superannuation	1,347	1,393
Conferences & Training	174	278
Workcover	268	330
Travelling	135	148
Fringe Benefits Tax	119	137
Corporate Image	6	9
<b>Total employee costs</b>	<u>16,545</u>	<u>16,416</u>
<b>Note 10 (b) Superannuation</b>		
Council made contributions to the following funds:		
<b>Defined benefit fund</b>		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	98	121
Employer contributions - other funds	0	0
	<u>98</u>	<u>121</u>
Employer contributions payable at reporting date.	0	0
<b>Accumulation funds</b>		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	1,131	1,190
Employer contributions - other funds	118	82
	<u>1,249</u>	<u>1,272</u>
Employer contributions payable at reporting date.	0	119

Refer to note 34 for further information relating to Council's superannuation obligations.

# NOTES TO THE FINANCIAL REPORT

## for the year ended 30 June 2016

	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Note 11 Materials and services</b>		
Contract payments	2,754	2,107
Building maintenance	300	162
General maintenance, Materials & Services	2,527	5,512
Capital Works in Progress Expense	19	0
Utilities	1,047	1,155
Information technology, Plant & Equipment	980	868
Consultants	349	643
<b>Total materials and services</b>	<b>7,976</b>	<b>10,447</b>
<b>Note 12 Bad and doubtful debts</b>		
Other debtors	27	1
<b>Total bad and doubtful debts</b>	<b>27</b>	<b>1</b>
<b>Note 13 Depreciation and amortisation</b>		
Property	1,488	1,602
Plant and equipment	1,230	1,220
Infrastructure	7,592	6,787
<b>Total depreciation</b>	<b>10,310</b>	<b>9,609</b>
<b>Note 14 Assets Written Off</b>		
Bridges & culverts	34	0
Hamilton landfill provision	1,231	0
Livestock Exchange	1,207	0
<b>Total bad and doubtful debts</b>	<b>2,472</b>	<b>0</b>
<b>Note 15 Adjustment to Landfill Provision</b>		
Glenisla landfill provision reversal	(106)	0
<b>Total Adjustment to Landfill Provision</b>	<b>(106)</b>	<b>0</b>
<b>Note 16 Borrowing costs</b>		
Interest - Borrowings	215	239
Less capitalised borrowing costs on qualifying assets	0	0
<b>Total borrowing costs</b>	<b>215</b>	<b>239</b>
<b>Note 17 Other expenses</b>		
Auditors' remuneration - VAGO	38	38
Councillors' allowances	171	173
Waste Disposal	548	516
Community Grants	368	264
General Asset Insurances	346	362
Software Licences	189	155
Section 86 Committee Expenses	138	97
Discount on Rates	126	116
Phone, Internet & Other Communication Charges	250	150
Legal Costs	122	23
Performers Fees	93	114
Advertising	165	176
Food & Catering	89	83
Stock Adjustments/Write offs	19	0
Heavy Plant and Motor Vehicle Insurances	75	72
Postage	75	67
Donations Paid	45	52
Contributions to Other Bodies	43	48
Subscriptions, Memberships & Licences	42	60
Travel & Accommodation	59	44
Bank & Merchant Fees	38	39
Licences & Memberships	26	11
Recognition of Liability	455	828
Other	248	447
<b>Total other expenses</b>	<b>3,768</b>	<b>3,935</b>

# NOTES TO THE FINANCIAL REPORT

## for the year ended 30 June 2016

	2016	2015
	\$'000	\$'000
<b>Note 18 Cash and cash equivalents</b>		
Cash on hand	6	5
Cash at bank	5,231	6,164
Term deposits	90	5,251
	<u>5,327</u>	<u>11,420</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 26)	377	524
Total restricted funds	<u>377</u>	<u>524</u>
Total unrestricted cash and cash equivalents	<u>4,950</u>	<u>10,896</u>
<b>Intended allocations</b>		
Although not externally restricted the following amounts have been allocated for specific future purposes by Council:		
- Cash held for specific Reserve Funds	727	707
- Cash held for the Sir Irving Benson Bequest	662	644
Total funds subject to intended allocations	<u>1,389</u>	<u>1,351</u>

Refer also to Note 20 for details of other financial assets held by Council.

### Note 19 Trade and other receivables

#### Current

Rates debtors	1,263	1,134
Net GST Receivable	166	84
Infringement debtors	6	0
Loans and advances to community organisations	3	3
Other debtors	1,690	1,230
Provision for doubtful debts - other debtors	(43)	(16)
Total current trade and other receivables	<u>3,085</u>	<u>2,435</u>

#### Non-current

Special rate scheme	155	216
Loans and advances to community organisations	9	12
Total non-current trade and other receivables	<u>164</u>	<u>228</u>
<b>Total trade and other receivables</b>	<b><u>3,249</u></b>	<b><u>2,663</u></b>

#### (a) Ageing of Receivables

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:

Current (not yet due)	1,262	630
Past due by up to 30 days	120	110
Past due between 31 and 60 days	27	259
Past due between 61 and 90 days	60	25
Past due by more than 90 Days	178	190
Total trade & other receivables	<u>1,647</u>	<u>1,214</u>

#### (b) Movement in provisions for doubtful debts

Balance at the beginning of the year	16	19
New Provisions recognised during the year	27	0
Amounts already provided for and written off as uncollectible	0	(1)
Amounts provided for but recovered during the year	0	(2)
Balance at end of year	<u>43</u>	<u>16</u>

#### (c) Ageing of individually impaired Receivables

At balance date, other debtors representing financial assets with a nominal value of \$43k (2015: \$16k) were impaired. The amount of the provision raised against these debtors was \$43k (2015: \$16k). 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.

The ageing of receivables that have been individually determined as impaired at reporting date was:

Current (not yet due)	0	0
Past due by up to 30 days	0	0
Past due between 31 and 180 days	0	0
Past due between 181 and 365 days	0	0
Past due by more than 1 year	43	16
Total trade & other receivables	<u>43</u>	<u>16</u>

# NOTES TO THE FINANCIAL REPORT

## for the year ended 30 June 2016

	2016 \$'000	2015 \$'000
<b>Note 20 Other financial assets</b>		
Term deposits	7,165	4,084
<b>Total other financial assets</b>	<u>7,165</u>	<u>4,084</u>
<b>Note 21 Inventories</b>		
Inventories held for distribution	462	609
Inventories held for sale	666	634
<b>Total inventories</b>	<u>1,128</u>	<u>1,243</u>
<b>Note 22 Other assets</b>		
Prepayments	459	454
Accrued income	17	13
<b>Total other assets</b>	<u>476</u>	<u>467</u>

### Note 23 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	13,956	(121)	13,835	19,144	(2,289)	16,855
Buildings	94,134	(39,425)	54,709	83,078	(37,763)	45,315
Plant and Equipment	38,948	(8,306)	30,642	36,854	(7,642)	29,212
Infrastructure	393,142	(162,145)	230,997	385,946	(156,151)	229,795
Work in progress	1,073	-	1,073	2,793	-	2,793
	<u>541,253</u>	<u>(209,997)</u>	<u>331,256</u>	<u>527,815</u>	<u>(203,845)</u>	<u>323,970</u>

#### Summary of Work in Progress

	Opening WIP	Additions	Transfers	Write Offs	Closing WIP
Buildings	131	17	82	3	63
Plant and Equipment	543	-	527	3	13
Infrastructure	2,119	900	2,009	13	997
<b>Total</b>	<u>2,793</u>	<u>917</u>	<u>2,618</u>	<u>19</u>	<u>1,073</u>

# NOTES TO THE FINANCIAL REPORT

## for the year ended 30 June 2016

### Note 23 Property, infrastructure, plant and equipment (cont'd)

<b>Land and Buildings</b>	<b>Note</b>	Land - specialised	Yatchaw Drainage	Landfill	Total Land	Buildings - specialised	Total Buildings	Work In Progress	Total Property
At fair value 1 July 2015		15,156	583	3,405	19,144	83,078	83,078	131	102,353
Accumulated depreciation at 1 July 2015		-	(115)	(2,174)	(2,289)	(37,763)	(37,763)	-	(40,052)
		15,156	468	1,231	16,855	45,315	45,315	131	62,301
<b>Movements in fair value</b>									
Acquisition of assets at fair value		253	-	-	253	720	720	17	990
Revaluation increments/decrements		(2,036)	-	-	(2,036)	10,430	10,430	-	8,394
Fair value of assets disposed		-	-	(3,405)	(3,405)	(254)	(254)	(3)	(3,662)
Found Assets		-	-	-	-	78	78	-	78
Transfers		-	-	-	-	82	82	(82)	-
		(1,783)	-	(3,405)	(5,188)	11,056	11,056	(68)	5,800
<b>Movements in accumulated depreciation</b>									
Depreciation and amortisation		-	(6)	-	(6)	(1,491)	(1,491)	-	(1,497)
Accumulated depreciation of disposals		-	-	2,174	2,174	123	123	-	2,297
Revaluation increments/decrements		-	-	-	-	(294)	(294)	-	(294)
		-	6	2,174	2,168	(1,662)	1,662	-	506
At fair value 30 June 2016		13,373	583	-	13,956	94,134	94,134	63	108,153
Accumulated depreciation at 30 June 2016		-	(121)	-	(121)	(39,425)	(39,425)	-	(39,546)
		13,373	462	-	13,835	54,709	54,709	63	68,607

<b>Plant and Equipment</b>	<b>Note</b>	Plant machinery and equipment	Fixtures fittings and furniture	Art Collection	Library Books	WIP	Total plant and equipment
At fair value 1 July 2015		12,147	2,412	21,739	556	543	36,854
Accumulated depreciation at 1 July 2015		(5,701)	(1,941)	-	-	-	(7,642)
		6,446	471	21,739	556	543	29,755
<b>Movements in fair value</b>							
Acquisition of assets at fair value		1,380	806	283	75	-	2,544
Fair value of assets disposed		(885)	-	-	-	(3)	(888)
Impairment losses recognised in operating result		-	-	-	(92)	-	(92)
Transfers		-	527	-	-	(527)	-
		495	1,333	283	-	17	(530)
<b>Movements in accumulated depreciation</b>							
Depreciation and amortisation		(1,036)	(193)	-	-	-	(1,229)
Accumulated depreciation of disposals		565	-	-	-	-	565
		(471)	(193)	-	-	-	(664)
At fair value 30 June 2016		12,642	3,745	22,022	539	13	38,948
Accumulated depreciation at 30 June 2016		(6,172)	(2,134)	-	-	-	(8,306)
		6,470	1,611	22,022	539	13	30,642

# NOTES TO THE FINANCIAL REPORT

## for the year ended 30 June 2016

### Note 23 Property, infrastructure, plant and equipment (cont'd)

Infrastructure	Note	Roads	Bridges	Footpaths and cycleways	Drainage	Aerodromes	Other Infrastructure	Work In Progress	Total Infrastructure
At fair value 1 July 2015		284,393	45,955	15,676	9,564	2,254	28,104	2,119	<b>385,946</b>
Accumulated depreciation at 1 July 2015		(112,503)	(17,361)	(5,745)	(4,735)	(802)	(15,005)	-	<b>(156,151)</b>
		<b>171,890</b>	<b>28,594</b>	<b>9,931</b>	<b>4,829</b>	<b>1,452</b>	<b>13,099</b>	<b>2,119</b>	<b>229,795</b>
<b>Movements in fair value</b>									
Acquisition of assets at fair value		4,198	82	364	4	1,175	2,064	900	<b>8,787</b>
Revaluation increments/decrements		-	-	-	-	-	-	-	-
Fair value of assets disposed		-	(95)	-	-	-	(2,605)	(13)	<b>(2,713)</b>
Impairment losses recognised in operating result		-	-	-	-	-	-	-	-
Transfers		-	-	-	-	168	1,841	(2,009)	-
		<b>4,198</b>	<b>13</b>	<b>364</b>	<b>4</b>	<b>1,343</b>	<b>1,300</b>	<b>(1,122)</b>	<b>6,074</b>
<b>Movements in accumulated depreciation</b>									
Depreciation and amortisation		(5,404)	(473)	(343)	(97)	(316)	(951)	-	<b>(7,584)</b>
Accumulated depreciation of disposals		-	61	-	-	-	1,529	-	<b>1,590</b>
		<b>(5,404)</b>	<b>(412)</b>	<b>(343)</b>	<b>(97)</b>	<b>(316)</b>	<b>578</b>	<b>-</b>	<b>(5,994)</b>
At fair value 30 June 2016		288,591	45,942	16,040	9,568	3,597	29,404	997	<b>393,142</b>
Accumulated depreciation at 30 June 2016		(117,907)	(17,773)	(6,088)	(4,832)	(1,118)	(14,427)	-	<b>(162,145)</b>
		<b>170,684</b>	<b>28,169</b>	<b>9,952</b>	<b>4,736</b>	<b>2,479</b>	<b>14,977</b>	<b>997</b>	<b>230,997</b>

# NOTES TO THE FINANCIAL REPORT

## for the year ended 30 June 2016

### Note 23 Property, infrastructure, plant and equipment cont'd

#### Valuation of land

Valuation of land was undertaken by Stephen Davey AAPI CPV 63379 Qualified Valuer of Opteon Property Group. The valuation of land and buildings is at fair value as at 1 January 2016, 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 unserved) 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.

#### Valuation of buildings

Valuation of land was undertaken by Campbell McKenzie, Associate Consultant with CT Management Pty. Ptd. using Cordell Building Cost Estimator valuation software.

The valuation is at fair value based on replacement cost less accumulated depreciation as at the date of valuation of 1 January 2016.

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
Specialised land	-	-	13,373
Land improvements	-	-	462
Buildings	-	-	54,709
<b>Total</b>	-	-	<b>68,544</b>

#### Valuation of infrastructure

Valuation of infrastructure assets has been determined in accordance with a valuation undertaken by Aten Kumar, Manager Engineering and Projects (Bachelor of Highway Technologies) as at 30 June 2015. (Apart from Drainage and Other Infrastructure)

The valuation is at fair value 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:

	Level 1	Level 2	Level 3
Roads	-	-	170,684
Bridges	-	-	28,168
Footpaths & cycleways	-	-	9,952
Drainage	-	-	4,736
Airport	-	-	2,479
Other Infrastructure	-	-	14,978
<b>Total</b>	-	-	<b>230,997</b>

# NOTES TO THE FINANCIAL REPORT

## for the year ended 30 June 2016

### Note 23 Property, infrastructure, plant and equipment cont'd

2016	2015
\$'000	\$'000

*Description of significant unobservable inputs into level 3 valuations*

*Specialised land and land under roads* is valued using a market based direct comparison technique. Significant unobservable inputs include the extent and impact of restriction of use and the market cost of land per square metre. The extent and impact of restrictions on use varies and results in a reduction to surrounding land values between 5% and 95%. The market value of land varies significantly depending on the location of the land and the current market conditions.

*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 \$181 to \$8363 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 3 years to 70 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.

*Infrastructure assets* are valued based on the depreciated replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives of infrastructure. The remaining useful lives of infrastructure assets are determined on the basis of the current condition of the asset and vary from 28 years to 115 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.

	2016	2015
	\$'000	\$'000
<b>Note 24 Investment property</b>		
Balance at beginning of financial year	1,043	1,185
Additions	0	0
Disposals	0	0
Fair value adjustments	20	(142)
Balance at end of financial year	<u>1,063</u>	<u>1,043</u>

#### *Valuation of investment property*

Valuation of investment property has been determined in accordance with an independent valuation by Opteon Property Group who has recent experience in the location and category of the property being valued. The valuation is at fair value, based on the current market value for the property.

### Note 25 Trade and other payables

Accrued expenses	226	247
Employee Costs	307	111
Trade payables	1,137	1,805
<b>Total trade and other payables</b>	<u>1,670</u>	<u>2,163</u>

# NOTES TO THE FINANCIAL REPORT

## for the year ended 30 June 2016

	2016	2015
	\$'000	\$'000
<b>Note 26 Trust funds and deposits</b>	<b>2016</b>	<b>2015</b>
Refundable deposits	122	46
Fire services levy	156	393
Retention amounts	65	0
Trust Funds held for Other Government Departments	34	85
<b>Total trust funds and deposits</b>	<b>377</b>	<b>524</b>

### Purpose and nature of items

Refundable deposits - Deposits are taken by council as a form of surety in a number of circumstances, including in relation to building works, tender deposits, contract deposits and the use of civic facilities.

Fire Service Levy - Council is the collection agent for fire services levy on behalf of the State Government. Council remits amounts received on a quarterly basis. Amounts disclosed here will be remitted to the state government in line with that process.

Retention Amounts - Council has a contractual right to retain certain amounts until a contractor has met certain requirements or a related warrant or defect period has elapsed. Subject to the satisfactory completion of the contractual obligations, or the elapsing of time, these amounts will be paid to the relevant contractor in line with Council's contractual obligations.

Note 27 Provisions	Employee	Landfill restoration	Total
	\$ '000	\$ '000	\$ '000
<b>2016</b>			
Balance at beginning of the financial year	4,777	3,665	8,442
Additional provisions	1,174	437	1,611
Amounts used	(1,317)	(136)	(1,453)
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	41	18	59
Balance at the end of the financial year	<b>4,675</b>	<b>3,984</b>	<b>8,659</b>
<b>2015</b>			
Balance at beginning of the financial year	4,456	1,477	5,933
Additional provisions	1,803	2,344	4,147
Amounts used	(1,580)	(281)	(1,861)
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	98	125	223
Balance at the end of the financial year	<b>4,777</b>	<b>3,665</b>	<b>8,442</b>

**2016**  
**\$'000**

**2015**  
**\$'000**

### (a) Employee provisions

#### Current provisions expected to be wholly settled within 12 months

Annual leave	955	1,037
Long service leave	178	178
Other - Time in Lieu	123	146
	<b>1,256</b>	<b>1,361</b>

#### Current provisions expected to be wholly settled after 12 months

Annual leave	682	708
Long service leave	2,252	2,199
	<b>2,934</b>	<b>2,907</b>
Total current employee provisions	<b>4,190</b>	<b>4,268</b>

#### Non-current

Long service leave	485	509
Annual leave	0	0
Total non-current employee provisions	<b>485</b>	<b>509</b>

#### Aggregate carrying amount of employee provisions:

Current	4,190	4,268
Non-current	485	509
Total aggregate carrying amount of employee provisions	<b>4,675</b>	<b>4,777</b>
	<b>2016</b>	<b>2015</b>

### (b) Land fill restoration

Current	2,199	1,347
Non-current	1,785	2,318
	<b>3,984</b>	<b>3,665</b>

# NOTES TO THE FINANCIAL REPORT

## for the year ended 30 June 2016

### Note 28 Interest-bearing loans and borrowings

#### Current

Borrowings - secured	357	334
	<u>357</u>	<u>334</u>

#### Non-current

Borrowings - secured	2,644	3,001
	<u>2,644</u>	<u>3,001</u>

#### Total

	<u>3,001</u>	<u>3,335</u>
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(a) The maturity profile for Council's borrowings is:

Not later than one year	357	334
Later than one year and not later than five years	1,546	1,513
Later than five years	1,098	1,488
	<u>3,001</u>	<u>3,335</u>

# NOTES TO THE FINANCIAL REPORT

## for the year ended 30 June 2016

### Note 29 Reserves

	Balance at beginning of reporting period	Increment (decrement)	Balance at end of reporting period
	\$'000	\$'000	\$'000
<b>(a) Asset revaluation reserves</b>			
<b>2016</b>			
<b>Property</b>			
Land	6,964	(2,035)	4,929
Buildings	28,424	10,136	38,560
Art Collection	2,976	-	2,976
Plant & Equipment	474	-	474
	<u>38,838</u>	<u>8,101</u>	<u>46,939</u>
<b>Infrastructure</b>			
Roads	119,515	-	119,515
Bridges	22,186	-	22,186
Footpaths and cycleways	7,318	-	7,318
Drainage	4,189	-	4,189
Other infrastructure	316	-	316
	<u>153,524</u>	<u>-</u>	<u>153,524</u>
<b>Total asset revaluation reserves</b>	<b><u>192,362</u></b>	<b><u>8,101</u></b>	<b><u>200,463</u></b>
<b>2015</b>			
<b>Property</b>			
Land	6,964	-	6,964
Buildings	28,424	-	28,424
Art Collection	2,976	-	2,976
Plant & Equipment	474	-	474
	<u>38,838</u>	<u>-</u>	<u>38,838</u>
<b>Infrastructure</b>			
Roads	91,915	27,600	119,515
Bridges	17,650	4,536	22,186
Footpaths and cycleways	5,043	2,275	7,318
Drainage	4,189	-	4,189
Other infrastructure	188	128	316
	<u>118,985</u>	<u>34,539</u>	<u>153,524</u>
<b>Total asset revaluation reserves</b>	<b><u>157,823</u></b>	<b><u>34,539</u></b>	<b><u>192,362</u></b>

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

	Balance at beginning of reporting period	Transfer from accumulated surplus	Transfer to accumulated surplus	Balance at end of reporting period
	\$'000	\$'000	\$'000	\$'000
<b>(b) Other reserves</b>				
<b>2016</b>				
Subdividers Contributions	207	-	-	207
Parking Development Reserve	98	-	-	98
Drainage Headworks Reserve	97	-	-	97
Waste Levy Reserve	211	59	-	270
<b>Total Other reserves</b>	<b><u>613</u></b>	<b><u>59</u></b>	<b><u>-</u></b>	<b><u>672</u></b>
<b>2015</b>				
Subdividers Contributions	203	4	-	207
Parking Development Reserve	98	-	-	98
Drainage Headworks Reserve	97	-	-	97
Waste Levy Reserve	124	87	-	211
<b>Total Other reserves</b>	<b><u>522</u></b>	<b><u>91</u></b>	<b><u>-</u></b>	<b><u>613</u></b>

Subdividers Contributions are in lieu of provision of recreational land within a subdivision. These funds are used to develop strategically located parks and reserves for the benefit of residents in the general area, as provided in the Subdivision Act 1988 and Planning and Environment Act 1987.

The Parking Development Reserve is in lieu of provision of off-site parking as part of a development. These funds are used for the purchase and development of public access parking in the general area.

The Drainage Headworks Reserve is in lieu of meeting the cost to develop, upgrade and/or renew drainage infrastructure downstream of any subdivision development, a charge is levied on subdivision developers.

The Waste Levy Reserve is in lieu of meeting the cost to develop, upgrade and/or renew waste infrastructure. A charge is levied on waste fees and transfer stations as waste is deposited in these facilities.

# NOTES TO THE FINANCIAL REPORT

## for the year ended 30 June 2016

	2016 \$'000	2015 \$'000
<b>Note 30 Reconciliation of cash flows from operating activities to surplus/(deficit)</b>		
Surplus/(deficit) for the year	(2,570)	3,747
Depreciation/amortisation	10,310	9,609
Asset write-offs	1,332	-
Profit/(loss) on disposal of property, infrastructure, plant and equipment	320	245
Fair value adjustments for investment property	20	142
Contributions - Non-monetary assets	(376)	(121)
Other - Change in Finance Costs	214	239
<b>Change in assets and liabilities:</b>		
(Increase)/decrease in trade and other receivables	(587)	1,649
Decrease in prepayments	(9)	(19)
Increase/(decrease) in trade and other payables	(492)	(798)
(Increase)/decrease in inventories	147	(6)
Increase/(Decrease) in provisions	1,448	321
(Decrease)/increase in other liabilities	(5)	828
Net cash provided by/(used in) operating activities	<u>9,752</u>	<u>15,836</u>
<b>Note 31 Financing arrangements</b>		
Bank overdraft	1,000	1,000
Credit card facilities	70	-
Loan facility	3,014	-
Total facilities	<u>4,084</u>	<u>1,000</u>
Used facilities	<u>(3,013)</u>	-
Unused facilities	<u>1,071</u>	<u>1,000</u>

# NOTES TO THE FINANCIAL REPORT

## for the year ended 30 June 2016

### Note 32 Commitments

The Council has entered into the following commitments

2016	Not later than 1 year	Later than 1 year	Later than 2 years	Later than 5 years	Total
		and not later than 2 years	and not later than 5 years		
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Operating</b>					
Community & Leisure Services	348	-	-	-	348
Infrastructure	86	-	-	-	86
Corporate/Administration	140	84	15	-	239
Strategic Planning	-	-	-	-	-
Waste Management	942	785	2,326	581	4,634
Meals for delivery	322	328	-	-	650
<b>Total</b>	<b>1,838</b>	<b>1,197</b>	<b>2,341</b>	<b>581</b>	<b>5,957</b>
<b>Capital</b>					
Community & Leisure	-	-	-	-	-
Infrastructure	1,567	-	-	-	1,567
<b>Total</b>	<b>1,567</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,567</b>

2015	Not later than 1 year	Later than 1 year	Later than 2 years	Later than 5 years	Total
		and not later than 2 years	and not later than 5 years		
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Operating</b>					
Community & Leisure Services	529	-	-	-	529
Infrastructure	356	43	-	-	399
Corporate/Administration	429	71	63	-	563
Strategic Planning	46	-	-	-	46
Waste Management	788	788	2,335	-	3,911
<b>Total</b>	<b>2,148</b>	<b>902</b>	<b>2,398</b>	<b>-</b>	<b>5,448</b>
<b>Capital</b>					
Community & Leisure	117	-	-	-	117
Infrastructure	1,843	-	-	-	1,843
Strategic Planning	31	-	-	-	31
<b>Total</b>	<b>1,991</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,991</b>

# NOTES TO THE FINANCIAL REPORT

## for the year ended 30 June 2016

	2016	2015
	\$'000	\$'000
<b>Note 33</b>		
<b>Operating leases</b>		
<b>(a) Operating lease commitments</b>		
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):		
Not later than one year	14	79
Later than one year and not later than five years	-	14
Later than five years	-	-
	14	93
<b>(b) Operating lease receivables</b>		
The Council has entered into commercial property leases on its investment property, consisting of surplus freehold office complexes. These properties held under operating leases have remaining non-cancellable lease terms of between 1 and 10 years. All leases include a CPI based revision of the rental charge annually.		
Future minimum rentals receivable under non-cancellable operating leases are as follows:		
Not later than one year	260	300
Later than one year and not later than five years	522	612
Later than five years	108	185
	890	1,097

### Note 34 Superannuation

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

#### Accumulation

The Fund's accumulation categories, Vision MySuper/Vision Super Saver, receive 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% as required under Superannuation Guarantee legislation).

#### Defined Benefit

Council does not use defined benefit accounting for its defined benefit obligations under the Fund's Defined Benefit category. This is because the Fund's Defined Benefit category is a pooled multi-employer sponsored plan.

There is no proportional split of the defined benefit liabilities, assets or costs between the participating employers as the defined benefit obligation is a floating obligation between the participating employers and the only time that the aggregate obligation is allocated to specific employers is when a call is made. As a result, the level of participation of Council in the Fund cannot be measured as a percentage compared with other participating employers. Therefore, the Fund Actuary is unable to allocate benefit liabilities, assets and costs between employers for the purposes of AASB 119.

#### Funding arrangements

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

As at 30 June 2016, an interim actuarial investigation was held as the Fund provides lifetime pensions in the Defined Benefit category. The vested benefit index (VBI) of the Defined Benefit category of which Council is a contributing employer was 102.0%. 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.

# NOTES TO THE FINANCIAL REPORT

## for the year ended 30 June 2016

### Note 34

#### **Superannuation (cont'd)**

Vision Super has advised that the estimated VBI at 30 Jun 16 was 102.0%. The VBI is to be used as the primary funding indicator. Because the VBI was above 100%, the 2016 interim actuarial investigation determined the Defined Benefit category was in a satisfactory financial position and that no change was necessary to the Defined Benefit category's funding arrangements from prior years.

#### **Employer contributions**

##### **Regular contributions**

On the basis of the results of the 2016 interim actuarial investigation conducted by the Fund Actuary, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 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.

##### **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 \$86,500

### Note 35

#### **Contingent liabilities and contingent assets**

Council has identified a potential liability for the remediation of the Mt Napier Quarry. This quarry is currently under a lease arrangement and Council expects to quantify any remediation obligations in 2016/2017.

Council has included a provision in the statements for the remediation of the Coleraine Landfill. This provision is potentially overstated as the provision is based on higher than legislated remediation standards. Council will review the provision amount in 2016/2017.

#### **Guarantees for loans to other entities**

The Environment Protection Authority holds a bank guarantee for \$427,440 for Council to remediate its landfill site.

#### **Contingent assets**

Council has nothing to Disclose

# NOTES TO THE FINANCIAL REPORT

## for the year ended 30 June 2016

### Note 36

#### 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 council financial instruments will fluctuate because of changes in market prices. The Council's exposure to market risk is primarily through interest rate risk with only insignificant exposure to other price risks and no exposure to foreign currency risk.

##### Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Council's interest rate liability risk arises primarily from long term loans and borrowings at fixed rates which exposes council to fair value interest rate risk / 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 rates.

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

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

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

Interest rate movements have not been sufficiently significant during the year to have an impact on the Council's year end result.

##### (c) Credit risk

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause Council to make a financial loss. Council have exposure to credit risk on some financial assets included in the balance sheet. To help manage this risk:

- council have a policy for establishing credit limits for the entities Council 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 council's investment policy.

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

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

Council may also be subject to credit risk for transactions which are not included in the balance sheet, such as when Council provide a guarantee for another party. Details of our contingent liabilities are disclosed in Note 35.

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

##### (d) Liquidity risk

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

To help reduce these risks Council:

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

The Council's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed on the face of the balance sheet and the amounts related to financial guarantees disclosed in Note 35, and is deemed insignificant based on prior periods' data and current assessment of risk.

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

With the exception of borrowings, all financial liabilities are expected to be settled within normal terms of trade. Details of the maturity profile for borrowings are disclosed at Note 28.

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

# NOTES TO THE FINANCIAL REPORT

## for the year ended 30 June 2016

### Note 36

#### Financial instruments (cont'd)

##### (e) Fair value

###### *Fair value hierarchy*

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

##### (f) Sensitivity disclosure analysis

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

- A parallel shift of + 1% and -1% in market interest rates (AUD) from year-end rates of 2.75%.

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 THE FINANCIAL REPORT

## for the year ended 30 June 2016

### Note 37 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:

<b>Councillors</b>	Councillor P Dark - Mayor
	Councillor C Armstrong
	Councillor P A Battista
	Councillor A Calvano
	Councillor B F Colliton
	Councillor D Dawson
	Councillor K A Rainsford

<b>Chief Executive Officer</b>	Richard J Perry - 01/07/2014 to 21/10/2015
	Michael J McCarthy - 17/08/2015 to 28/09/2015
	Bruce Davidson - 29/09/2015 to 28/03/2016
	Michael G Tudball - 29/03/2016 to 30/06/2016

#### (ii) Remuneration of Responsible Persons

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

	2016 No.	2015 No.
\$1 - \$9,999	1	-
\$10,000 - \$19,999	-	-
\$20,000 - \$29,999	6	5
\$30,000 - \$39,999	-	1
\$40,000 - \$49,999	-	-
\$50,000 - \$59,999	1	1
\$60,000 - \$69,999	1	-
\$90,000 - \$99,999	1	-
\$230,000 - \$239,999	-	1
\$360,000 - \$369,999	1	-
	11	8

Total Remuneration for the reporting year for Responsible Persons included above amounted to:

723	433
-----	-----

#### (iii) Senior Officers Remuneration

A Senior Officer other than a Responsible Person, is an officer of Council who:  
a) has management responsibilities and reports directly to the Chief Executive; or  
b) 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:		
\$20,000 - \$29,999	1	-
\$80,000 - \$89,999	1	-
\$140,000 - \$149,999	1	-
\$150,000 - \$159,999	-	3
\$160,000 - \$169,999	1	-
	4	3

Total Remuneration for the reporting year for Senior Officers included above, amounted to

426	464
-----	-----

#### (iv) Responsible persons retirement benefits

The aggregate amount paid during the reporting period by Council in connection with the retirement of responsible persons was \$0 (2015 - \$0)

# NOTES TO THE FINANCIAL REPORT

## for the year ended 30 June 2016

**Note 37 Related party transactions (cont'd)**

**(v) Loans to responsible persons**

Council did not have any loans to responsible persons during 2015-2016.

**(vi) Transactions with responsible persons**

During the period Council entered into the following transactions with responsible persons or related parties of responsible persons.

*Councillor Colliton - Roxburgh House - Hospitality/Catering purchases - \$1,033 (2015 \$1,366)  
(All transactions are on normal commercial terms)*

**Note 38 Events occurring after balance date**

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

# NOTES TO THE FINANCIAL REPORT

## for the year ended 30 June 2016

### 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 (Planning and Reporting) Regulations 2014*, Australian Accounting Standards and other mandatory professional reporting requirements.



*Belinda J Johnson, B. Comm., CPA., Manager Finance*

**Principal Accounting Officer**

**Date :** 19/09/2016

Hamilton

In our opinion the accompanying financial statements present fairly the financial transactions of <Name> 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.

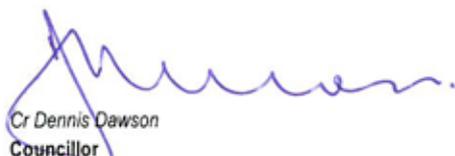


*Cr Peter J Dark*

**Councillor**

**Date :** 19/09/2016

Hamilton



*Cr Dennis Dawson*

**Councillor**

**Date :** 19/09/2016

Hamilton



*Michael G Tudball*

**Chief Executive Officer**

**Date :** 19/09/2016

Hamilton

# NOTES TO THE FINANCIAL REPORT

## for the year ended 30 June 2016

# VAGO

Victorian Auditor-General's Office

Level 24, 35 Collins Street  
Melbourne VIC 3000

Telephone 61 3 8601 7000  
Facsimile 61 3 8601 7010

Website [www.audit.vic.gov.au](http://www.audit.vic.gov.au)

## INDEPENDENT AUDITOR'S REPORT

### To the Councillors, Southern Grampians Shire Council

#### *The Financial Report*

I have audited the accompanying financial report for the year ended 30 June 2016 of the Southern Grampians Shire Council which comprises the comprehensive income statement, balance sheet, statement of changes in equity, cash flow statement, 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 Southern Grampians 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.

# NOTES TO THE FINANCIAL REPORT

## for the year ended 30 June 2016

### 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 Southern Grampians 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  
20 September 2016

  
Andrew Greaves  
Auditor-General

# NOTES TO THE FINANCIAL REPORT

## for the year ended 30 June 2016

# VAGO

Victorian Auditor-General's Office

Level 24, 35 Collins Street  
Melbourne VIC 3000  
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Website [www.audit.vic.gov.au](http://www.audit.vic.gov.au)

## INDEPENDENT AUDITOR'S REPORT

### To the Councillors, Southern Grampians Shire Council

#### *The Performance Statement*

I have audited the accompanying performance statement for the year ended 30 June 2016 of the Southern Grampians 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 Southern Grampians 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.

# NOTES TO THE FINANCIAL REPORT

## for the year ended 30 June 2016

### 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 Southern Grampians 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  
20 September 2016



Andrew Greaves  
Auditor-General

# PERFORMANCE STATEMENT

## for the year ended 30 June 2016

### DESCRIPTION OF MUNICIPALITY

Southern Grampians Shire Council was formed in September 1994 by the amalgamation of the former Shires of Dundas, Mt Rouse, Wannon and the City of Hamilton. We are located in the centre of the Western District of Victoria, 290 kilometres west of Melbourne and 500 kilometres south east of Adelaide.

Hamilton is the regional retail and service centre for the entire south west of Victoria. It is supported by a delightful mix of smaller townships offering different regional lifestyle choices. The nine smaller towns in the Shire are Balmoral, Branxholme, Byaduk, Cavendish, Coleraine, Dunkeld, Glenthompson, Peshurst and Tarrington.

The region is home to a dynamic portfolio of businesses thriving in local, national and international markets. A rich agricultural heritage, fertile landscape, comprehensive infrastructure and advanced utilities shape its prosperous and sustainable economic profile, and pave the way for future development, investment and employment growth.

The Southern Grampian Shire's 17,000-strong population enjoys superior leisure and medical facilities, prestigious schools and tertiary institutions. A sophisticated arts culture and a thriving retail and hospitality sector inject vibrancy, while breathtaking landscapes add to the strong sense of place.

# PERFORMANCE STATEMENT

## for the year ended 30 June 2016

### SUSTAINABLE CAPACITY INDICATORS FOR YEAR ENDED 30 JUNE 2016

<i>Indicator/measure</i>	<b>Results 2015</b>	<b>Results 2016</b>	<b>Material Variations</b>
<b>Own-source revenue</b>			
<i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$1,640	\$1,697	no material variations
<b>Recurrent grants</b>			
<i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$867	\$594	Recurrent grants are lower in the 2015/16 financial year due to the Victoria Grants Commission prepaying 50% of the 2015/16 allocation in the 2014/15 year.
<b>Population</b>			
<i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$2,531	\$2,616	no material variations
<i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$19,124	\$20,152	Revaluation of Land and Buildings in 2015/16 has increase the infrastructure value per head of population.
<i>Population density per length of road</i> [Municipal population / Kilometres of local roads]	6	6	no material variations
<b>Disadvantage</b>			
<i>Relative socio-economic disadvantage</i> [Index of Relative Socio-economic Disadvantage by decile]	6	6	no material variations

#### Definitions

- "adjusted underlying revenue" means total income other than—
  - non-recurrent grants used to fund capital expenditure; and
  - non-monetary asset contributions; and
  - contributions to fund capital expenditure from sources other than those referred to in paragraphs (a) and (b)
- "infrastructure" means non-current property, plant and equipment excluding land
- "local road" means a sealed or unsealed road for which the council is the responsible road authority under the *Road Management Act 2004*
- "population" means the resident population estimated by council
- "own-source revenue" means adjusted underlying revenue other than revenue that is not under the control of council (including government grants)
- "relative socio-economic disadvantage", in relation to a municipality, means the relative socio-economic disadvantage, expressed as a decile for the relevant financial year, of the area in which the municipality is located according to the Index of Relative Socio-Economic Disadvantage (Catalogue Number 2033.0.55.001) of SEIFA
- "SEIFA" means the Socio-Economic Indexes for Areas published from time to time by the Australian Bureau of Statistics on its Internet website
- "unrestricted cash" means all cash and cash equivalents other than restricted cash.

# PERFORMANCE STATEMENT

## for the year ended 30 June 2016

### SERVICE PERFORMANCE INDICATORS FOR YEAR ENDED 30 JUNE 2016

Service/indicator/measure	Results 2015	Results 2016	Material Variations
<b>Governance</b>			
<b>Satisfaction</b>			
<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]	44	50	<p>Southern Grampians Shire Council has been operating its community engagement framework for more than two years now. This process ensures that Council is made aware of issues of immediate concern to the community. The process implemented for the small towns also provides for effective feedback on the actions taken.</p> <p>Council has also revamped its community newsletter with the intention of explain why decisions are made.</p> <p>Similarly there were some difficult decisions made in the previous year that were unpopular. This may have had a negative impact on the previous year's survey results.</p>
<b>Statutory Planning</b>			
<b>Decision making</b>			
<i>Council planning decisions upheld at VCAT</i> [Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	0%	0%	There were no matters referred to VCAT for 2015/16.
<b>Roads</b>			
<b>Satisfaction</b>			
<i>Satisfaction with sealed local roads</i> [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	41	36	This indicator has gone down 5 points despite Council's Moloney Asset Management System data indicating that the condition of Council Roads has slightly improved in condition over the past 3 years. However, the condition of VicRoads roads in the Shire has continued to decline and as the question posed to the community does not differentiate between Council and VicRoads roads, the condition of the VicRoads roads affects the overall score.
<b>Libraries</b>			
<b>Participation</b>			
<i>Active library members</i> [Number of active library members / Municipal population] x100	35%	16%	Change in data capture from card use within 24 months to card use within 12 months
<b>Waste Collection</b>			
<b>Waste diversion</b>			
<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	47%	45%	no material variations
<b>Aquatic facilities</b>			
<b>Utilisation</b>			
<i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	14	15	no material variations
<b>Animal management</b>			
<b>Health and safety</b>			
<i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	0	0	There were no animal management prosecutions in the 2015/2016 financial year.

# PERFORMANCE STATEMENT

## for the year ended 30 June 2016

Service/indicator/measure	Results 2015	Results 2016	Material Variations
<b>Food safety</b>			
<b>Heath and safety</b>			
<i>Critical and major non-compliance notifications</i> [Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance notifications and major non-compliance notifications about food premises] x100	100%	96%	no material variations
<b>Home and community care</b>			
<b>Participation</b>			
<i>Participation in HACC service</i> [Number of people that received a HACC service / Municipal target population for HACC services] x100	54%	36%	The level of activity has reduced based on lower HACC participation and refinement of data from 2014/15 to 2015/16.
<b>Participation</b> <i>Participation in HACC service by CALD people</i> [Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x100	54%	30%	Low total numbers mean small changes result in large % changes. The total change in CALD numbers was a reduction of 42 from 2014/15 to 2015/16.
<b>Maternal and child health</b>			
<b>Participation</b>			
<i>Participation in the MCH service</i> [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	67%	N/A	In 2016 there was an initiative to transition the majority of Victorian Councils offering Maternal and Child Health services to a new database. The database is not expected to provide reliable information until the end of September 2016. Therefore, Council is unable to report this data for the 2015-2016 financial year.
<b>Participation</b> <i>Participation in the MCH service by Aboriginal children</i> [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	81%	N/A	In 2016 there was an initiative to transition the majority of Victorian Councils offering Maternal and Child Health services to a new database. The database is not expected to provide reliable information until the end of September 2016. Therefore, Council is unable to report this data for the 2015-2016 financial year.

### 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
- "annual report" means an annual report prepared by a council under sections 131, 132 and 133 of the Act
- "class 1 food premises" means food premises, within the meaning of the *Food Act 1984*, that have been declared as class 1 food premises under section 19C of that Act
- "class 2 food premises" means food premises, within the meaning of the *Food Act 1984*, that have been declared as class 2 food premises under section 19C of that Act
- "Community Care Common Standards" means the Community Care Common Standards for the delivery of HACC services, published from time to time by the Commonwealth
- "critical non-compliance outcome notification" means a notification received by council under section 19N(3) or (4) of the *Food Act 1984*, or advice given to council by an authorized officer under that Act, of a deficiency that poses an immediate serious threat to public health
- "food premises" has the same meaning as in the *Food Act 1984*
- "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 or community respite provided under the HACC program
- "local road" means a sealed or unsealed road for which the council is the responsible road authority under the *Road Management Act 2004*

# PERFORMANCE STATEMENT

## for the year ended 30 June 2016

### SERVICE PERFORMANCE INDICATORS FOR YEAR ENDED 30 JUNE 2016 CONT.

- "major non-compliance outcome notification" means a notification received by a council under section 19N(3) or (4) of the *Food Act 1984*, or advice given to council by an authorized officer under that Act, of a deficiency that does not pose an immediate serious threat to public health but may do so if no remedial action is taken
- "MCH" means the Maternal and Child Health Service provided by a council to support the health and development of children within the municipality from birth until school age
- "population" means the resident population estimated by council
- "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
- "WorkSafe reportable aquatic facility safety incident" means an incident relating to a council aquatic facility that is required to be notified to the Victorian WorkCover Authority under Part 5 of the *Occupational Health and Safety Act 2004*.

FINANCIAL PERFORMANCE INDICATORS FOR YEAR ENDED 30 JUNE 2016

Dimension/indicator/measure	Results		Forecasts			Material Variations	
	2015	2016	2017	2018	2019		2020
<b>Operating position</b>							
<b>Adjusted underlying result</b> Adjusted underlying surplus (or deficit) [Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100	2%	-13%	-2%	-0.2%	-0.8%	-1%	Council's adjusted underlying result was lower due to the Victoria Grants Commission prepaying some of the 2015/16 recurrent grant allocation in the previous year.
<b>Liquidity</b>							
<b>Working capital</b> Current assets compared to current liabilities [Current assets / Current liabilities] x100	228%	195%	219%	208%	221%	215%	The 2015/16 ratio has reduced due to an increase in provisions classified as current.
<b>Unrestricted cash</b> Unrestricted cash compared to current liabilities [Unrestricted cash / Current liabilities] x100	128%	122%	171%	156%	170%	163%	Council's unrestricted cash was higher in 2014/15 due to the prepayment of 50% of the 2014/15 Victoria Grants Commission allocation. The 2015/16 ratio has reduced due to an increase in provisions classified as current. Council's forward plan is to reduce current liabilities whilst maintaining adequate unrestricted to cash for working capital in the early months of each financial year.
<b>Obligations</b>							
<b>Loans and borrowings</b> Loans and borrowings compared to rates [Interest bearing loans and borrowings / Rate revenue] x100	19%	16%	23%	20%	17%	15%	This measure is planned to remain reasonably constant with Council only borrowing for intergenerational assets which are also planned to assist with improving economic investment.
<b>Loans and borrowings repayments compared to rates</b> [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	3%	3%	3%	4%	4%	3%	This measure is planned to remain reasonably constant with Council only borrowing for intergenerational assets which are also planned to assist with improving economic investment.
<b>Indebtedness</b> Non-current liabilities compared to own source revenue [Non-current liabilities / Own source revenue] x100	22%	21%	24%	21%	20%	17%	Council plans to retain its borrowing portfolio at a reasonably constant level in line with the revenue streams it can control.

FINANCIAL PERFORMANCE INDICATORS FOR YEAR ENDED 30 JUNE 2016 CONT.

Dimension/indicator/measure	Results		Forecasts				Material Variations
	2015	2016	2017	2018	2019	2020	
<b>Asset renewal</b> Asset renewal compared to depreciation [Asset renewal expenses / Asset depreciation] x100	74%	64%	74%	69%	71%	74%	The 2015/16 indicator is slightly lower than planned due to the inability to complete scheduled capital works projects.
<b>Stability</b>							
<b>Rates concentration</b> Rates compared to adjusted underlying revenue [Rate revenue / Adjusted underlying revenue] x100	42%	54%	50%	48%	49%	49%	The result is higher due to the adjusted underlying revenue being lower in 2015/16. This was primarily due to lower recurrent grants in the 2015/16 financial year.
<b>Rates effort</b> Rates compared to property values [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.5%	0.5%	0.5%	0.6%	0.6%	0.6%	No material variations
<b>Efficiency</b>							
<b>Expenditure level</b> Expenses per property assessment [Total expenses / Number of property assessments]	\$3,745	\$3,490	\$3,407	\$3,522	\$3,580	\$3,688	The 2016 result shows lower expenses per property assessment as Total expenses for 2015/16 are lower than the previous year.
<b>Revenue level</b> Average residential rate per residential property assessment [Residential rate revenue / Number of residential property assessments]	\$1,092	\$1,128	\$1,128	\$1,173	\$1,222	\$1,272	No material variations
<b>Workforce turnover</b> Resignations and terminations compared to average staff [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	11%	22%	22%	21%	19%	18%	A higher number of retirements occurred during 2015/16 and Council is anticipating this trend to continue over the next few years.

# PERFORMANCE STATEMENT

## for the year ended 30 June 2016

### DEFINITIONS

- "adjusted underlying revenue" means total income other than—
- non-recurrent grants used to fund capital expenditure; and
- non-monetary asset contributions; and
- 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
- "asset renewal expenditure" means expenditure on an existing asset or on replacing an existing asset that returns the service capability of the asset to its original capability
- "current assets" has the same meaning as in the AAS
- "current liabilities" has the same meaning as in the AAS
- "non-current assets" means all assets other than current assets
- "non-current liabilities" means all liabilities other than current liabilities
- "non-recurrent grant" means a grant obtained on the condition that it be expended in a specified manner and is not expected to be received again during the period covered by a council's Strategic Resource Plan
- "own-source revenue" means adjusted underlying revenue other than revenue that is not under the control of council (including government grants)
- "population" means the resident population estimated by council
- "rate revenue" means revenue from general rates, municipal charges, service rates and service charges
- "recurrent grant" means a grant other than a non-recurrent grant
- "residential rates" means revenue from general rates, municipal charges, service rates and service charges levied on residential properties
- "restricted cash" means cash and cash equivalents, within the meaning of the AAS, that are not available for use other than for a purpose for which it is restricted, and includes cash to be used to fund capital works expenditure from the previous financial year
- "unrestricted cash" means all cash and cash equivalents other than restricted cash.

# PERFORMANCE STATEMENT

## for the year ended 30 June 2016

### OTHER INFORMATION FOR YEAR ENDED 30 JUNE 2016

#### **1. Basis of preparation**

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

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

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

The forecast figures included in the performance statement are those adopted by council in its strategic resource plan on 19 January 2016 and which forms part of the council plan. The 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. The strategic resource plan can be obtained by contacting council.

# PERFORMANCE STATEMENT

## for the year ended 30 June 2016

### CERTIFICATE OF PERFORMANCE STATEMENT

In my opinion, the accompanying performance statement has been prepared in accordance with the *Local Government Act 1989* and the *Local Government (Planning and Reporting) Regulations 2014*.



Belinda J Johnson, B.Comm., CPA.  
**Principal Accounting Officer**  
**Dated:** 19/09/2016

In our opinion, the accompanying performance statement of the (*council name*) 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*.

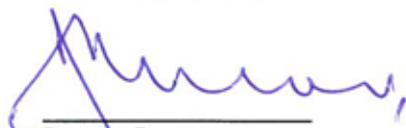
The performance statement contains the relevant performance indicators, measures and results in relation to service performance, financial performance and sustainable capacity.

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.

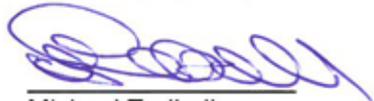
We have been authorised by the Council and by the *Local Government (Planning and Reporting) Regulations 2014* to certify this performance statement in its final form.



Peter Dark  
**Mayor**  
**Dated:** 19/09/2016



Dennis Dawson  
**Councillor**  
**Dated:** 19/09/2016



Michael Tudball  
**Chief Executive Officer**  
**Dated:** 19/09/2016



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