

Strathbogie Shire

ANNUAL REPORT 2016 - 2017



LISTENING. ENGAGING. RESPONDING.



- **EVOLVE - Skate Park competition (b/g), Youth Safe Disco and Muso Magic 17**

Strathbogie Shire Council

REPORT OF OPERATIONS | FOR THE YEAR ENDED 30 JUNE 2017

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Introduction

Welcome to the Report of Operations 2016 - 2017

The Strathbogie Shire Council is pleased to present our 2016-17 Annual Report.

This document is a key reporting mechanism and measures Council's performance against the objectives detailed in the Council Plan 2013-17 and Annual Budget. The Annual Report has been developed in accordance with the statutory reporting obligations under the *Local Government Act 1989* (the Act) and ensures Council is accountable to the community.

In responding to the needs and expectations of the community, Council is committed to open and transparent decision making, good governance and effective community consultation.

The Report of Operations is the primary means of advising the community of Council's operations and performance during the financial year.



Snapshot of Council

DEMOGRAPHIC PROFILE

Strathbogie Shire takes in the townships of Euroa, Nagambie, Avenel, Violet Town, Longwood, Strathbogie, Graytown and Ruffy.

Strathbogie Shire covers 330,326 hectares.

From 2011 to 2016, Strathbogie Shire's population increased by 731 people to 10,329, which represented an average annual population change of more than 1% per year.

The largest changes in the age structure were in the following age groups:

Empty nesters and retirees (ages 60 to 69) (+317 people)

Seniors (ages 70 to 84) (+251 people)

Young work-force (ages 25 to 34) (+111 people)

Parents and homebuilders (ages 35 to 49) (-85 people)



Strathbogie Shire had a lower proportion of pre-schoolers and a higher proportion of persons at post retirement age than the regional Victorian average in 2016.

927 people living in the Shire in 2016 were born overseas, and 9% arrived in Australia within five years prior to 2016.



In 2016, 3% of people spoke a language other than English at home.

1,170 or 28.2% of Strathbogie Shire's working residents travel outside of the area to work.

In 2016, 69% of homes in the Strathbogie Shire, had an internet connection.

In Strathbogie Shire 29% of the population reported doing some form of voluntary work in 2016.

55% of households in Strathbogie Shire had access to two or more motor vehicles.



In Strathbogie Shire there were 1,118 carers providing unpaid assistance to a person with a disability, long term illness or old age in 2016.

Source:
2016 Census - Profile.id
<http://profile.id.com.au/strathbogie>

PURPOSE

2013 - 2017

Vision

A Shire that drives and supports investment for population growth, shared wealth and wellbeing

Mission

To actively consult with community, investors and industry through advocacy and collaboration; delivering quality infrastructure, lifestyle and sustainable economic and community development



- Children's street art, Nagambie

Snapshot of Council

OUR GUIDING PRINCIPLES

Councillors and staff at Strathbogie Shire Council are committed to the following principles (values) as a guide to all their decisions and actions

Good Governance

We value innovation, integrity, accountability, strength and consistency in leadership and decision making with adherence to robust, transparent and equitable policies and processes

Working Together

We value the ability to maximise outcomes by working in partnership and collaboration with an engaged community, government, regional bodies and other stakeholders

Quality Services

We value the role of research, strategic planning, flexibility and innovation in delivering accessible and effective services and regional solutions that enhance the quality of life

Social Inclusion

We value widespread participation in civic and community life among people of all abilities and backgrounds

Environment

We value the Shire's natural and built environment and the importance of local amenity on quality of life

Stability

We value sound financial and resource planning and management to ensure Council's long term sustainability and provision of quality services and infrastructure

FAST FACTS IN 2016-17

204 Planning Permit applications were determined

26,205 calls were taken by Customer Service and 5,815 receipts issued

30,194 receipts were received online or through an agent such as BPay, Australia Post or CentrePay

64 different movies were shown at Euroa Community Cinema over 115 sessions with 4,743 movie tickets sold

7,491 people visited the Nagambie Visitor Information Centre

7,445 people visited the Euroa Visitor Information Centre

84 babies born within the Shire

1056 tonnes of organic waste diverted from landfill through the kerbside organic waste collection

More than 60,000 spectators visited the Nagambie Lakes Regatta Centre

A combined total of 38,764 visits to the Shire's four pools (Avenel, Euroa, Nagambie and Violet Town)



- Playground, Euroa
- School Crossing supervisor

Highlights of the Year

Community Wellbeing

Plan, support and/or deliver a broad range of responsive and accessible services to our diverse community. See section on **Our Performance** for more details.

Achievements

- \$43,830 injected into the community through Council's Community Grants Program.
- Enhanced capacity building of Strathbogie communities through access to a range of workshops, programs and initiatives aimed at bolstering skills, expertise and involvement of community members.

Environment

To continue to protect and enhance the natural and built environment for current and future generations. See section on **Our Performance** for more details.

Achievements

- Diversion of approximately 1,315 tonnes of organic waste and a total of 2,472 tonnes of recyclable material diverted from landfill.
- Completion of the Domestic Animal Management Plan 2017-21.
- Appointment of Team Leader Sustainable Development.
- Participation of community and schools in the Pool User Survey to assist the Pools Working Group Committee to determine key actions.

Financial

Provide best practice management and administrative systems and structures to support the delivery of Council services and programs. See section on **Our Performance** for more details.

Achievements

- Improved efficiencies and a reduction in operating expenditure through the Shared Service Project with City of Greater Shepparton and Moira Shire Council. Council has purchased, through the Goulburn Valley Regional Collaborative Alliance, the 'Grant Ready' software which will advance grant opportunities.
- A continued reduction in Council's Infrastructure Renewal Gap and an easing of the financial burden associated with maintaining community infrastructure.

Governance

To provide all our stakeholders with consistent and timely decision making. See section on **Our Performance** for more details.

Achievements

- A renewed focus on effective community consultation and engagement allowing for additional opportunities for Council to connect with and hear from community members on a wide range of topics.
- Induction of the newly elected Councillors following the October 2016 Local Government election.

Industry / Business / Investment

Pursue opportunities to increase the range of businesses and industries in the Shire to further strengthen our economy. See section on **Our Performance** for more details.

Achievements

- Determination of 204 planning permit applications of which 93% of these were completed within the 60 day statutory timeframe to issue a permit, while the estimated value of works for permits issued was \$29,061,341.
- 251 building permits lodged with Council with the cost of works valued at \$36,655,480.
- Continued implementation of actions identified in the Economic Development Master Plan such as the development of the Tracks and Trails Strategy which involved extensive community consultation.



Highlights of the Year

Infrastructure

Provide well maintained, affordable and appropriate infrastructure. See section on **Our Performance** for more details.

Achievements

- The replacement of the Cullens Road Bridge with a new concrete structure, along with the replacement of one abutment on Nelsons Road Bridge and the successful securing of funding through the Federal Government's Bridges Renewal Programmes to fund 50 per cent of works.
- Additional upgrade works on a further eight bridges to remove load limits and the strengthening of a further four bridges – these works are ongoing.
- The maintenance and renewal of Council's road network including:
 - sealing works to 30km of rural roads and urban streets
 - gravel resheeting works to 38km of roads
 - Pavement and rehabilitation works including major reconstruction and pavement widening valued at \$1,064,000
 - Shoulder resealing works valued at \$550,000.

Tourism & Hospitality

Ensure a coordinated and effective approach to economic and tourism development is maintained at all times. See section on **Our Performance** for more details.

Achievements

- The co-hosting of the annual Victorian Visitor Information Centre Summit which saw Visitor Information Centre personnel, economic development staff and regional tourism bodies from across Victoria congregate in the Shire over three days.
- Representation at the Good Food and Wine Expo showcasing the region's food, wine and natural assets.
- Continued expansion of the marketing of Council's tourism branding 'Love Strathbogie' including sponsorship at major events across the Shire.

Challenges and Future Outlook

CHALLENGES

The continued effects of rate capping on the long term sustainability of Council

The impacts of a reduction in funding from the Commonwealth Government via the Victoria Grants Commission caused by their freezing of indexation of the grant for three years. Although the freeze is now lifted there is a challenge to maintain reasonable growth in the funding pool

Ongoing assessment and review of Council's asset base and service delivery

Managing the significant cost associated with maintaining existing infrastructure at an appropriate level

Balancing ratepayers' affordability with the continuing and newly emerging demands of a growing community

The effect of climate and other environmental impacts on the implementation of Council's capital works program

Managing the service needs of an ageing population

The short timeframe for the new Council to meet the Local Government Act requirements for completing the Council Plan and Budget

THE FUTURE

Completion of the Shire-wide Community Pools Strategy to guide the future of aquatic facilities across the Shire

Preparing the Shire for population growth and the increase in services and infrastructure to support this growth

Review of the local planning policy

Continued emphasis on innovation and identifying opportunities for improved efficiencies

Continuation of long term strategic investment on infrastructure renewal

Support and drive community arts and cultural events throughout the Shire

Plan for improved community health, wellbeing and liveability

Development of a Sustainable Strathbogie 2030 plan

The program is funded by the TAC, managed by VicRoads and delivered by Berry Street.

Council continues to provide in kind support to the program and recognises the enormous value it provides to the community.

In 2016-17

5

YOUNG PEOPLE
SUCCESSFULLY GAINED
THEIR PROBATIONARY
LICENCE

28

YOUNG PEOPLE TOOK
PART IN THE L2P
PROGRAM

12

COMMUNITY MEMBERS
VOLUNTEERED AS DRIVER
MENTORS

593

HOURS OF DRIVING
EXPERIENCE CLOCKED

59

PROFESSIONAL DRIVING
LESSONS RECEIVED

L2P LEARNER DRIVER MENTOR PROGRAM

L2P LEARNER DRIVER MENTOR PROGRAM

In recognising the diverse aspects of our community and in striving to achieve community wellbeing and participation, Strathbogie Shire Council has continued its support for the L2P Learner Driver Mentor Program.

The important community program commenced in the Shire seven years ago and assists learner drivers between 16 and 20 years of age, who face challenges in accessing a supervising driver or vehicle, to gain the driving experience required to apply for a probationary licence.

In 2016-17 Council was pleased to be able to provide funding for a new L2P Learner Driver Mentor Program car. The purchase of the brand new Toyota Corolla Accent allows young people to develop and hone essential driving skills while enjoying maximum safety and comfort.

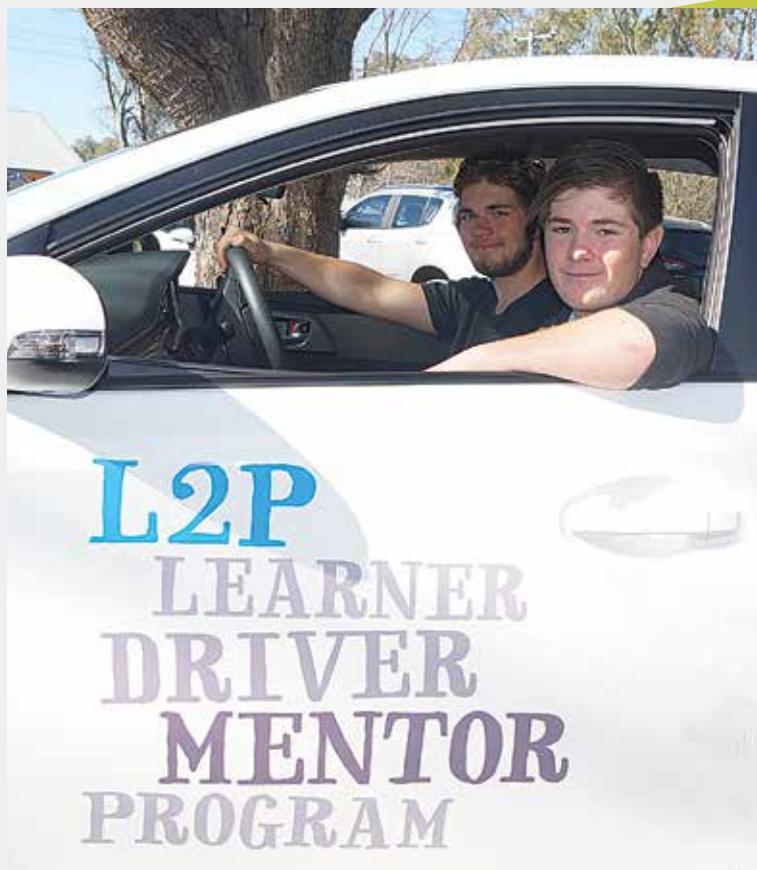
The program relies on the involvement of a willing pool of volunteer mentors who are matched with participants to guide and mentor them as they obtain the necessary driving experience to allow them to apply for a probationary licence. The L2P Program also provides free lessons with a qualified driving instructor at the beginning and during the program as required.

The program is overseen by a Steering Committee with Strathbogie Shire Council and other program partners and stakeholders represented on the Committee.

Its continued success highlights the many benefits in promoting connectedness with the local community while also allowing for the development of safe and lawful driving practices among younger drivers.



KICKING GOALS





- *Men's Shed, Nagambie*

The Year in Review



A Message from the Mayor



It is with great pleasure that I present the 2016-17 Annual Report on behalf of Council.

This document meets the legislative reporting requirements and importantly measures Council's achievements against the objectives detailed in the 2013-17 Council Plan and the 2016-17 Budget. Strathbogie Shire Council operates within a framework of open, transparent and accountable governance and views the Annual Report as an essential reporting mechanism to capture key outcomes and the many successes and challenges experienced over the 2016-17 financial year.

The Local Government election saw a new Council sworn in on November 15 of which I am humbled to be part of. I would like to take this opportunity to acknowledge the outgoing Councillors and thank them for their contribution to the development of the Shire over many years. Upon reflecting on the time since the election of Council I am proud of what Strathbogie Shire Council has achieved.

A renewed emphasis on community engagement provided an important focal point and allowed Councillors to hear first-hand from the community through a range of forums. We were excited to embark on the 'Let's Talk – We Are Listening' community consultation campaign in February with its findings guiding the development of the 2017-21 Council Plan which was adopted by Council in June.

We welcomed the Australian Bureau of Statistics release of the 2016 Census information which saw Strathbogie's population hit 10,329. The Shire's population has grown by more than one per cent annually in recent years, bringing the task of preparing for the newly emerging demands of a growing community to the forefront. As a Council it is essential that we deliver services and opportunities for today and also plan for the longer term sustainability and needs of the Shire.

In continuing to successfully promote the Strathbogie Shire as an ideal place to live, work and invest, we recognised the enormous economic benefit in growing our thriving tourism sector. Our proximity to Melbourne along with our many natural attractions are attributes that assist us to further develop our Shire and in-turn bolster the local economy, create more jobs and grow the services and opportunities available to residents of the Shire.

The development of the 2016-17 Budget was inline with the State Government's Fair Go Rates Legislation, which caps rate increases at 2.5 per cent. As Local Government continues to grapple with the effects of rate capping, the importance of ensuring the long term financial sustainability of the Shire is more evident than ever. The outgoing Council was successful in delivering a fiscally responsible financial position which has allowed for the continuation of service delivery to the standard previously experienced by the community.

Key projects during 2016-17 have included our \$4.5 million road and bridge maintenance program, major upgrades valued at a total of \$0.957 million across the Shire, the completion of stage two of the Euroa Saleyards redevelopment, the Avenel Hall refurbishment and the installation of new toilets at the Euroa Croquet Club.

We are pleased to be able to partner with the community to advance a number of essential community projects including the Euroa Netball Court redevelopment and the development of the Shire-wide Community Pools Strategy, which will guide the future of our aquatic facilities. Partnerships of this kind are valued by Council and a win-win for our community and pave the way for exciting outcomes and much needed community infrastructure.

As we strive to achieve vibrant and flourishing communities we remain committed to strengthening the Love Strathbogie brand and advocating on the behalf of our communities.



Amanda McClaren
MAYOR



A Message from the Chief Executive Officer



I am pleased to present the 2016-17 Annual Report and share with the community our strategic and operating outcomes over the 12 month period.

As the Chief Executive Officer of Strathbogie Shire, I am responsible for the implementation of the decisions of Council along with the day to day management of Council's operations and believe we are well positioned to continue to advance our wonderful Shire.

The decisions and planning undertaken during 2016-17 have been in-line with our long term financial strategy and reflect the goal of ensuring long term financial sustainability for the Shire. Council achieved an operating surplus of \$5.19 million for the 2016-17 year and while a large part of this was due to grants received in advance it represents a solid result. The cost of services delivered to the community was \$27 million and encompassed the maintenance and upgrade of community infrastructure, service delivery across all aspects of the organisation and Council's \$6.6 million capital works program.

In implementing the actions and strategies detailed in the Council Plan we remained firmly focused on being able to service the community and their diverse needs. In doing this we responded to a number of challenges including the direct effects of the introduction of rate capping by the State Government. We also balanced the ever present challenge of managing the significant cost associated with maintaining existing infrastructure and reducing the renewal gap.

The responsible management of resources and ongoing review of service delivery remained a vital component of our planning, strategy development and day-to-day operations. An organisational restructure was implemented in 2016-17 and is one example of our commitment to improving efficiencies and



resource allocation. Our involvement in the Shared Service Project has allowed for the ongoing sharing of resources with Moira Shire and Greater Shepparton City Council and resulted in significant savings. We have continued to explore opportunities for additional cost saving initiatives and have taken an innovative approach to the identification of such measures.

The identification of external funding opportunities and assessment of these funding avenues against the objectives of the Council Plan and the organisation's ongoing business planning and review is critical to maintaining a prosperous landscape for the municipality and its residents. The sourcing of grants remain a key priority area for Strathbogie Shire Council.

We were thrilled to deliver a \$43,830 community grants program which provided a financial injection to a large number of sporting and community groups and organisations to enrich our growing community. We recognise the important role these groups play in achieving strong and connected communities and congratulate them on taking the step forward in expanding their services, facilities and capacity.

In reviewing the past 12 months I would like to express my appreciation for staff and Council for their leadership and vision. As our Shire continues to grow we will seek out and embrace opportunities to build our dynamic community, strengthen the Shire's business and tourism sector and continue to foster strategic partnerships.

I am pleased to present to you the 2016-17 Strathbogie Shire Council Annual Report. For further information, please visit our website: www.strathbogie.vic.gov.au



Steve Crawcour
CHIEF EXECUTIVE OFFICER



EVOLVE

EVOLVE connects, entertains and inspires young people. The EVOLVE Youth Committee has successfully engaged and connected with youth across the Shire through a range of events.

The Committee, made up of young people between 12 and 25 who live, work or study in the Shire, meet weekly to discuss, plan and manage a number of events catering to the diverse needs and interests of youth in our community. These events are run by the youth of Strathbogie Shire and cater especially for youth. The drug and alcohol free events are typically focused on the areas of music, arts and culture and attracting young people from across the Shire.

The Committee is supported by the Shire's Youth Development Department, however the Committee itself sets the agenda and undertake the necessary planning to stage each event.

Key EVOLVE highlights for the year include:

Poolside fun with M.Y.van – February 2017

More than 200 people attended a free community event at the Euroa Swimming Pool aimed at building awareness about the services available for young people. Save the Children's Mobile Youth Van (M.Y.van) was on hand to inform young people about the outreach services that provide activities such as sport, music and art, which can greatly benefit young people living in remote, isolated or disadvantaged communities. The event included a free barbecue and a chance for young people to connect with peers in a relaxed environment.



Funded by the State Government FReeZA program and Council, the EVOLVE Youth Committee encourages community participation and builds valuable leadership skills. In addition to the skills gained through planning and running events, Committee members undertake a variety of training and development which provides a range of opportunities for them to increase their individual skills and knowledge.

**GOOD
NEWS**

Fast Track Talent Show - April 2017

This event featured a swag of home-grown talent with everything from singers, dancers, bands, rappers, comedians and everything in between on show. The talent show formed part of National Youth Week celebrations and featured guest performances and judges. The calibre of talent was high and the judging tight for 1st, 2nd and 3rd place.

Muso Magic - MAY 2017

A partnership between Strathbogie, Mansfield and Benalla saw the delivery of a two day high energy music workshop for young people. Tasked with the challenge of writing a song, composing the music and developing a dance, the workshop culminated with a 'flashmob' performance from 80 students. The Muso Magic program allowed the group of aspiring youth to come together to produce the creative masterpiece which explored the acceptance of mental health issues.

Silent Disco – August 2016

Headphones were required for those wanting to hear the music and dance along to the Shire's first ever silent disco. The Old Flour Mill Euroa was the perfect spot for the unique experience which saw plenty of new dance moves and a constant flow of music with a junior and senior disco.

EVOLVE YOUTH PROFILE

Shannon McWilliam

21, Euroa



Why did you get involved with EVOLVE Youth of Strathbogie?

I want to see a change in the community for youth and to get them involved and outside doing things and interacting. I was originally just tagging along with my friend.

What do you see as the biggest issue facing the younger generation today?

Young people communicate too much with technology and don't have enough face-to-face interaction.

What do you hope to achieve as a Strathbogie Shire youth representative?

I want to provide safe, fun events and spaces for the youth in our area.

Financial Summary

FINANCIAL SUMMARY

The Shire of Strathbogie continues to be in a strong financial position. A summary of our performance is outlined below. Detailed information relating to Council's financial performance is included with the Financial Statements and Performance Statement sections of this report.

OPERATING POSITION

The balance sheet indicates that current assets are more than adequate to meet current liabilities, which is an important measure of liquidity. Debt levels continue to be closely managed with debt decreasing to \$1.2 million at 30 June 2017.

Debt levels remain low when comparing to Shire of Strathbogie's total asset base of \$303 million providing borrowing capacity for the future.

The 2016-17 operating surplus of \$5.19 million is inflated by an advance payment of 50 per cent of 2017-18 Financial Assistance Grants through the Victoria Grants Commission (\$2.5 million) and the underlying position remains sound.

The Shire of Strathbogie's 2016-17 total revenue is \$32.2 million with rates and charges raising revenue of \$18.0 million, based on 7696 assessments. The reliance on rate revenue in 2016-17 was 56 per cent compared with 61 per cent in 2015-16. This rate percentage was significantly affected by the early payment of 2017-18 VGC grants in 2016-17.

The strong financial position reflects sound financial management and Shire of Strathbogie's commitment to infrastructure renewal and financial sustainability. It also strengthens Shire of Strathbogie's financial capacity to deliver on the objectives and strategies of the Council Plan and Strategic Resource Plan.

NET OPERATING RESULT

The Shire of Strathbogie achieved an operating surplus of \$5.19 million compared to a budgeted surplus of \$.920 million.

CAPITAL EXPENDITURE

During the 2016-17 year the Shire of Strathbogie invested \$6.6 million in capital works.

The extensive capital works program funds the ongoing renewal of the Shire of Strathbogie's existing physical assets of \$5.25 million, as well the construction of some new community assets \$0.87 million and the upgrade and expansion of existing assets \$0.48 million.

Infrastructure works included roads and bridges \$3.95 million, drains, footpaths, kerb and channel \$0.62 million, land \$0.095 million, buildings \$1.02 million.

BORROWINGS

No new borrowings were undertaken in 2016-17. The Shire of Strathbogie has low levels of debt when comparing borrowings to total non-current assets. The outstanding loan amount as at 30 June 2017 was \$1.2 million.

CASH AND OTHER FINANCIAL ASSETS

Cash and current assets at 30 June 2017 total \$17.4 million. The Shire of Strathbogie's liquidity position – (current assets / current liabilities) continues to be very strong with a ratio of 2.44:1. This ratio means that the Shire of Strathbogie has \$2.44 of cash and current assets for every \$1.00 of current liabilities. This ratio is better than 2016 (1.2.03:1).

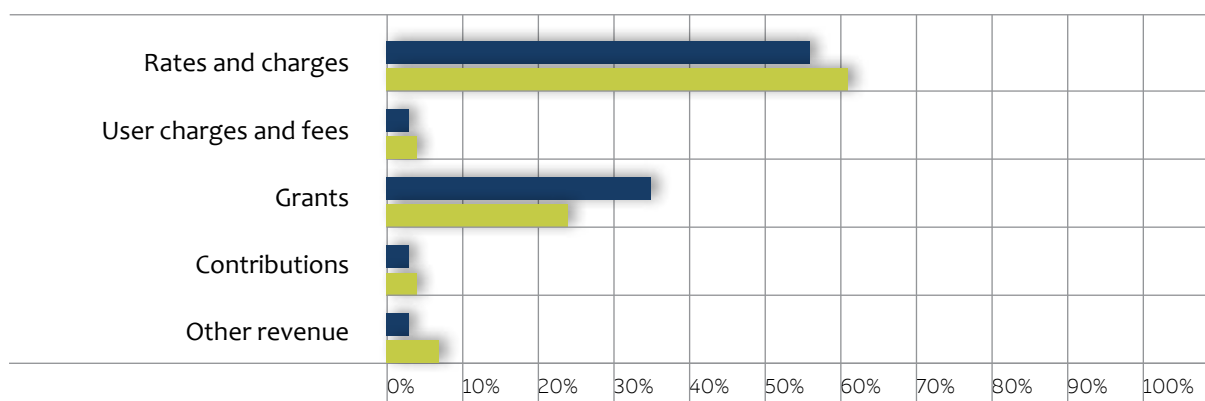
Legislative restrictions on Shire of Strathbogie's cash at 30 June 2015 total \$0.35 million. This statutory obligation means that the Shire of Strathbogie must set aside sufficient cash to fund amounts held in trust and developer levies.



Financial Summary

INCOME

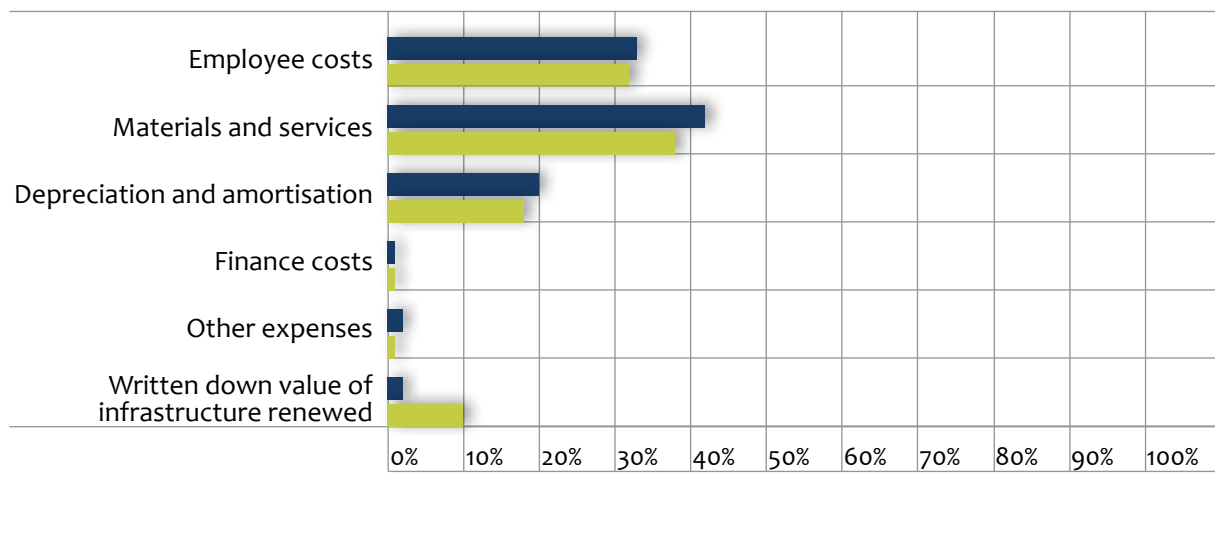
	2016-17	2015-16 %
Rates and charges	56%	(61%)
User charges and fees	3%	(4%)
Grants	35%	(24%)
Contributions	3%	(4%)
Other revenue	3%	(7%)
TOTAL	100	100



EXPENDITURE

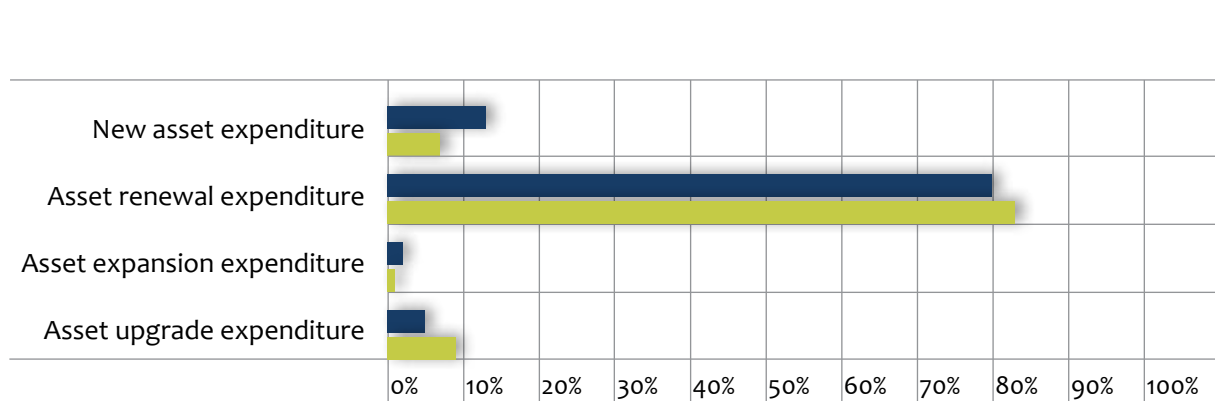
	2016-17	2015-16
Employee costs	33%	(32%)
Materials and services	42%	(38%)
Depreciation and amortisation	20%	(18%)
Finance costs	1%	(1%)
Other expenses	2%	(1%)
Written down value of infrastructure renewed	2%	(10%)
TOTAL	100%	100%

EXPENDITURE *continued*



CAPITAL WORKS PROGRAM 2016-17

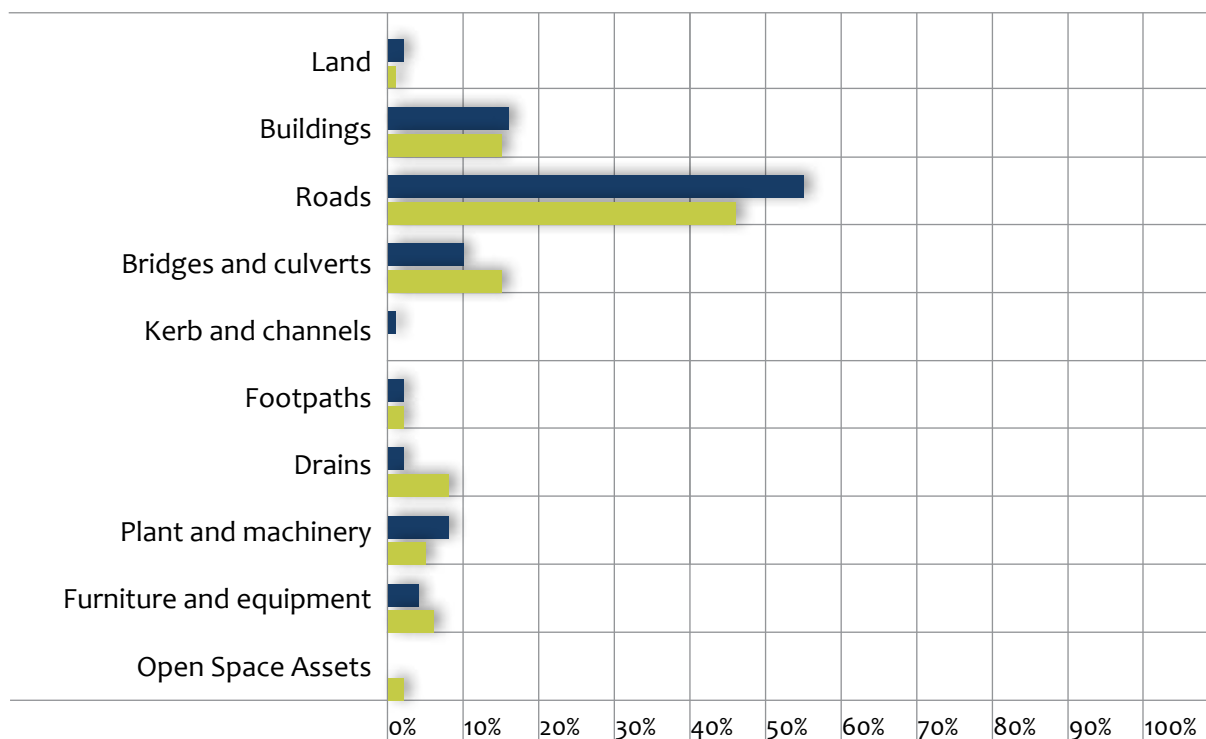
	2016-17	2015-16
New asset expenditure	13%	(7%)
Asset renewal expenditure	80%	(83%)
Asset expansion expenditure	2%	(1%)
Asset upgrade expenditure	5%	(9%)
TOTAL	100%	100%



Financial Summary

CAPITAL EXPENDITURE 2016-17 IN ASSET AREAS

	2016-17	2015-16
Land	(2%)	1%
Buildings	(16%)	15%
Roads	(55%)	46%
Bridges and culverts	(10%)	15%
Kerb and Channels	(1%)	0%
Footpaths	(2%)	2%
Drains	(2%)	8%
Plant and machinery	(8%)	5%
Furniture and equipment	(4%)	6%
Open Space Assets	(0%)	2%
TOTAL	100%	100%



Description of Operations

Strathbogie Shire Council is responsible for an extensive array of services, ranging from the delivery of maternal and child health services to recreation reserves and youth facilities, waste management and community buildings. Central to its operations is the maintenance of its extensive road network, which is one of the largest in Victoria. In addition to this Council provides planning for appropriate development, fosters opportunities for continued economic growth and strives to play a lead role in the prosperity and ongoing development of its community.

It operates within the confines of its Annual Budget and in-line with internal policies and long-term financial strategies. Council also has a wide range of responsibilities under the Victorian and Australian legislations.

The delivery of a broad range of community services and infrastructure supports the overall wellbeing of Strathbogie Shire residents. Council's vision, strategic objectives and strategies to further improve services and facilities are detailed in the Strathbogie Shire Council Plan 2013-2017 (2016-17 Review) and the 2016-17 Budget and are reported upon in this document. The provision of services, facilities, support and advocacy reflects the strategic direction and objectives defined in the Council Plan and Budget and are assessed against a set of service performance indicators and measures.

Refer to the section on **Our Performance** for more information about Council services.

ECONOMIC FACTORS

Council was faced with numerous external influences. These included:

The continued effects of rate capping following the introduction of the Fair Go Rates System

The cost of maintaining assets and reducing Council's infrastructure renewal gap

Consumer Price Index (CPI) increases of less than 3 per cent per annum



- Pavement rehabilitation works

Major Capital Works

Highlights from the 2016-17 capital works program included:

MAINTAINING COUNCIL'S ROAD NETWORK

Resealing Program

The 2016-17 reseal program saw a total of 30km of sealing works undertaken across Council's road network including rural roads, urban streets and final seals to roads which received major pavement reconstruction works last year. The reseal program was fully funded by Council at a cost of \$658,000 and was critical to the continued maintenance and upkeep of Council's vast road network.

Gravel Road Resheet Program

Approximately 38km of roads were renewed through gravel resheeting works throughout 2016-17 at a cost to Council of \$567,000. Council's gravel road resheet program forms a key part of Council's annual road maintenance works.

Pavement Rehabilitation Works

The pavement rehabilitation program was largely funded by the Federal Government's Roads to Recovery Programme at a total cost of \$1,064,000. The 2016-17 program included major reconstruction and pavement widening works on Creightons Creek Road at Creightons Creek and Pine Lodge Road at Miepoll.

Shoulder Sealing

A further \$550,000 was spent on the strengthening and sealing of gravel shoulders on sealed roads to provide a wider pavement and improved safety. The program included major works on Grimwade Road at Longwood and Creek Junction Road at Kelvin View.



- Gravel road resheeting
- Shoulder sealing

Major Capital Works



BRIDGE WORKS

Cullens Road Bridge Replacement

A major infrastructure upgrade saw the Cullens Road Bridge replaced with a new concrete structure and reopened to the public in January 2017. The bridge was closed for almost two months to allow for the dismantling of the existing timber bridge and installation of the new concrete bridge. The bridge crosses the Castle Creek and is located 13km north-west of Euroa. The vital upgrade provides a higher service level with a full load capacity replacing the 10 tonne load limit of the old bridge. The bridge was widened from 6.1 meters to 7.4 meters to create a two lane width over a single span of 18 meters.

The cost of the new bridge was \$315,000 of which 50 per cent was funded by the Federal Government's Bridges Renewal Programme and 50 per cent by Council.

Nelsons Road Bridge

Nelsons Road Bridge had one abutment replaced to restore its previous 30 tonne limit. This was 50 per cent funded by the Federal Government and cost \$50,000. Works on Nelsons Road Bridge were completed in June 2017.

- *Cullens Road Bridge, before and after replacement*

Bridge Upgrade Works

- Eight other bridges are currently under contract for upgrade works which will see the removal of load limits. These works include Curries Road Bridge which also received funding through the Federal Government's Bridge Renewal Programme (funded up to \$30,000) with works completed in July 2017. This work saw the lifting of the previous 30 tonne load limit on Curries Road Bridge.
- Curries Road Bridge and an additional three bridges (Giffin Road, Halsalls Lane and Bonds Lane Bridges) will have timber decks replaced with concrete in order to provide full load capacity.



Reinforcement of concrete decks

A further four bridges will have existing concrete decks strengthened with reinforced concrete overlays. This will remove current load restrictions on two bridges on Avenel-Longwood Road and at McCrackens Road and Carters Road.

These works total \$1,020,000 and form part of Council's ongoing strategy to replace and upgrade bridges. The works are largely funded by the increased funding made available from the Federal Government's Roads to Recovery Programme.

- Reinforcement of concrete decks



EUROA SALEYARDS REDEVELOPMENT STAGE TWO

Stage two of the Euroa Saleyards redevelopment was completed in April 2017.

Following the relocation of power lines last year, site works commenced in September 2016 to extend the roof and alter laneways to improve the circulation of cattle. Access to the yards for cattle sales was able to be maintained during the construction period. Works included installation of LED lighting under the new roof, additional tanks for stormwater re-use and an upgrade to the office and canteen.

The upgrades ensure the saleyards meet European Union accreditation standards, which will significantly increase the number of cattle to pass through the facility each year. The saleyards play an important role in the local economy and are positioned as a major cattle-selling centre for the region. The project was undertaken in consultation with the Saleyards Committee and other user groups.

Stage two was funded by a grant of \$500,000 from Regional Development Victoria and a Council contribution of \$25,000. Stage two of the Euroa Saleyards redevelopment was officially opened in July 2017 by the Minister for Regional Development The Honorable Jaala Pulford.

- Stage two, Euroa saleyards

Major Capital Works

EUROA-MANSFIELD ROAD DRAIN

Works undertaken as part of stage one of this project have significantly improved drainage in the area. The project commenced in October 2016 and was completed in April 2017, with a total of 478 metres of underground pipe drainage laid. As a result of the works, stormwater drainage along Scobie Street and in Euroa-Mansfield Road at Anderson Street is more effective.

Stage one works were valued at \$217,000 of which Council contributed \$130,000 and VicRoads \$87,000. Stages two and three of the project, which will extend the underground drainage to the south along Euroa-Mansfield Road, are planned for the 2017-18 capital works program.



- Euroa-Mansfield Road drainage works





AVENEL HALL

Work began in early May 2017 on the 100-year-old Avenel Memorial Hall and is expected to be completed by October 2017.

The historic building will undergo major works with the construction of three new meeting rooms at the rear of the hall, a new kitchen, renewal of the main toilets and a new ceiling to the main hall.

The \$400,000 project is funded by a grant of \$300,000 from the State Government's Regional Jobs and Infrastructure Fund and \$100,000 from Strathbogie Shire Council.

Council has provided an additional \$36,000 to complete a new footpath and car park area at the front of the hall which will complement the hall renovation. The hall is an important community facility and acts as a hub for the town and its many community groups.

- *Signage for Avenel Hall Upgrade*
- *New facilities under construction at rear of hall*

FOOTPATHS

A total of \$80,000 was provided to construct a number of new concrete footpaths in Euroa, including Anderson Street, Weir Street, Kirkland Avenue, Clifton Street and a link through Seven Creeks Park to the Euroa Caravan Park.

Library Lane was also upgraded with asphalt surfacing to improve access to the Euroa Library parking area.

SURFACE UPGRADES FOR SPORTS GROUNDS

Approximately \$100,000 was spent during 2016-17 in conjunction with Committees of Management to improve the playing surface of sports ovals across the Shire.

Works included:

- the provision of a storage tank for irrigation water at Nagambie
- an aerating and fertilising program at Avenel and Violet Town ovals
- major works to reshape and resurface the oval at Longwood.

EUROA CROQUET CLUB TOILET

Euroa Croquet Club is the proud owner of new accessible toilets which have been completed at a cost of \$40,000. These works were completed in June 2017 and were fully funded by Council.



- New footpath, Clifton Street, Euroa
- Longwood Oval, resurfaced
- New toilet facilities, Euroa Croquet club

MAJOR CHANGES

Local Government elections in October 2016 and the transition to a new Council

Implementation of a new organisational structure

Changes to the status of Community Action Groups from committees of Council to reduce onerous governance requirements for the groups and improve the efficiency of their operation

MAJOR ACHIEVEMENTS

Completion of more than 60 per cent of Council's \$11.06 million capital works program - additional works are under contract but not yet completed

Efficient processing times of statutory planning applications made to Council

The continued development and promotion of Strathbogie as a premier tourism destination

Population growth of 3.7 per cent since 2012 (Census data)

Extensive community consultation involved in the Council Plan development with the 'Let's Talk – We Are Listening' conversation café roadshow

Improving community access to Council with roving Council meetings held in each town



Let's Talk. We Are Listening.



Strathbogie Shire Council recognises the importance of effective community consultation in achieving informed decision making and connected communities. A renewed focus on strengthening community engagement led to the introduction of a number of initiatives in 2016-17 which allowed Council to better understand the unique needs of its communities.

'Let's Talk - We Are Listening'

The 'Let's Talk – We Are Listening' community consultation campaign saw Council and senior staff hit the road and hear first-hand from the community about what is important to them.

In talking directly to the community, Council was able to identify an accurate community pulse and be fully informed of the areas and issues most relevant to residents.

The information obtained through this campaign guided the development of the 2017-21 Council Plan and provided an integral insight into the matters at the heart of Strathbogie Shire and its' diverse communities.

With the goal of providing every resident with an opportunity to communicate directly with Council, 'Let's Talk - We Are Listening' postcards were mailed to every household and an online submission option was also available.

Eight community café sessions were held across the Shire throughout February and the first week of March with sessions held in Avenel, Euroa, Graytown, Longwood, Nagambie, Ruffy, Strathbogie and Violet Town.





Through these sessions almost 250 submissions were made detailing priority areas, issues and opportunities for growth and development. An additional 294 postcard and 22 online submissions were also received. Students were also engaged to share their views as part of the campaign. A report was provided to Council and available to the community detailing key outcomes of the community engagement campaign.

‘Listening Posts’ provide a conduit to Council

A number of ‘Listening Post’ discussion events were held throughout 2016-17 providing the community with a conduit to funnel information to Council on a range of topics.

Violet Town

Outcomes from the Violet Town ‘Listening Post’ were used to complete an opportunities study for Violet Town’s Shadforth Reserve.

Nagambie

Over 100 residents turned out to the Nagambie main street development ‘Listening Posts’ with over 50 submissions received for the second stage of the project which has been dubbed ‘Tourism Enhancement’.





Better understanding business

Strathbogie Shire Council partnered with Business Euroa and Nagambie Lakes Tourism and Commerce to undertake a comprehensive Business Survey in September 2016 as a means of better understanding the challenges facing the business sector. The survey was released online and mailed directly to rural areas generating 140 responses. In strengthening economic development in the municipality, Council seeks to better understand and support local business with survey results a valuable tool in identifying existing gaps and opportunities for growth and development. Results from the survey were sent to individual respondents and available on each of the partners' websites.

Changes to Public Question Time

As part of the commitment to transparency and to ensure all customer enquiries are dealt with efficiently and effectively, Council introduced a change to how questions from the public are received at the monthly Ordinary Meeting of Council. The change allows residents to submit their questions prior to the meeting and allows all questions to be dealt with promptly.

Residents with a question can now fill out a form either in person at the Euroa Council office, the Ordinary Meeting location or online before the Ordinary Meeting of Council which is held the third Tuesday of every month. All questions presented to Council, and answers, are recorded in the minutes which are available to the public.

In addition to these steps Council provided a range of formal community consultation avenues in accordance with statutory and legislative requirements and remains committed to better understanding the needs of its communities.

Let's Talk. We Are Listening.



- *Design work is underway to improve the Birkett Street railway crossing*

Our Council



Council Profile



The Strathbogie Shire is a rural municipality located approximately two hours from Melbourne. The Shire is situated within the picturesque surrounds of the Strathbogie Ranges with a population of 10,329 recorded in the 2016 Census. The Shire encompasses 330,326 hectares and has a population density of 0.03 persons per hectare.

Major natural features of the Shire include the Heathcote-Graytown National Park, Strathbogie Ranges, Goulburn River, Goulburn Weir, Lake Nagambie and Gooram Falls. The Shire's tourism appeal continues to grow, with the area home to a number of eateries and wineries, walking trails, waterways and breathtaking wilderness.

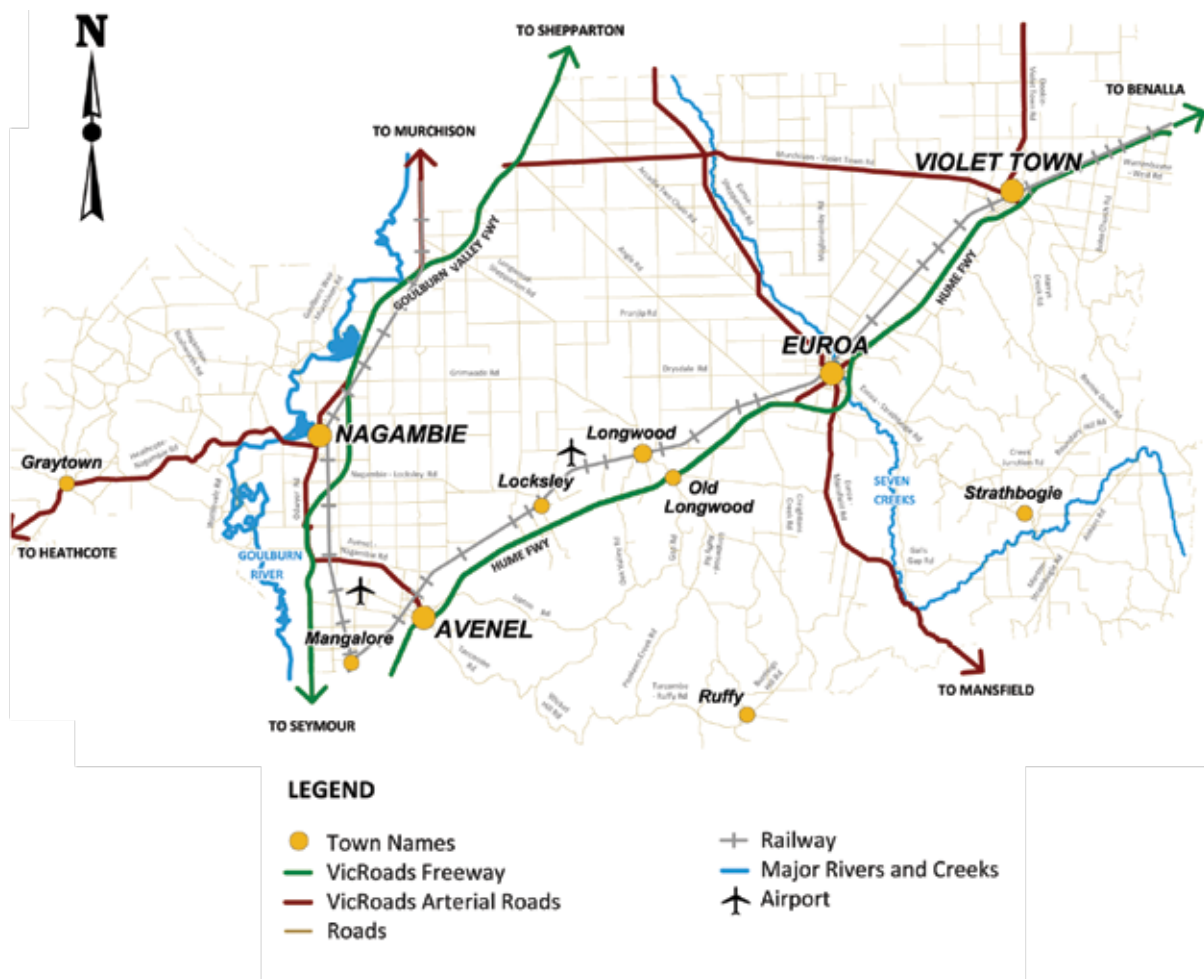
Strathbogie Shire includes the major towns of Avenel, Euroa, Longwood, Nagambie, Strathbogie and Violet Town in addition to a number of smaller towns and communities. Strathbogie Shire is serviced by the Goulburn Valley Freeway, the Hume Freeway, the Goulburn Valley Highway and the Melbourne-Shepparton and Melbourne-Wodonga railway lines, providing a number of transport options.

The Shire has an aging population with 37.8 per cent of residents aged 60 years and over. Just over four per cent of the population are between 0-4 years of age, while 13.7 per cent are between five and 17 years of age. A young workforce aged between 25-34 years of age make up 8 per cent of the population while parents and homebuilders between 35 and 49 years of age represent 18.1 per cent of the population.

The 2016 Census revealed 81.4 per cent of residents were born in Australia and 3.1 per cent speak another language while also speaking English well or very well.

Strathbogie Shire has a rural economic base of wool, grain, sheep, poultry and cattle production, extensive vineyards, world class wineries and a wide range of intensive cool climate

SHIRE OF STRATHBOGIE



horticultural enterprises. The region is also known as the ‘horse capital’ of Victoria due to its ever expanding horse industry. Thoroughbred breeding studs are the cornerstone of this important industry, with many prestigious Melbourne Cup winners bred and trained in the Shire. Nagambie is also the birthplace of Black Caviar, the world champion horse, and has a life-size bronze statue sitting pride of place at Jacobson’s Outlook.

- Black Caviar statue, Jacobsens Lookout, Nagambie (left)
- Shire of Strathbogie map (above)

Council Offices



EUROA MAIN OFFICE

109A Binney Street Euroa

Postal Address PO Box 177, Euroa VIC 3666

Opening Hours Mon-Fri 9am to 5pm

NAGAMBIE CUSTOMER SERVICE

317 High Street Nagambie

Opening Hours Mon-Fri 10am to 4pm (limited services)

STRATHBOGIE SHIRE CONTACT INFORMATION

Telephone 1800 065 993

Fax 03 5795 3550

Email info@strathbogie.vic.gov.au

Website www.strathbogie.vic.gov.au

Facebook www.facebook.com/StrathbogieShireCouncil

Instagram www.instagram.com/lovestrathbogie

Twitter @lovestrathbogie








Councillors

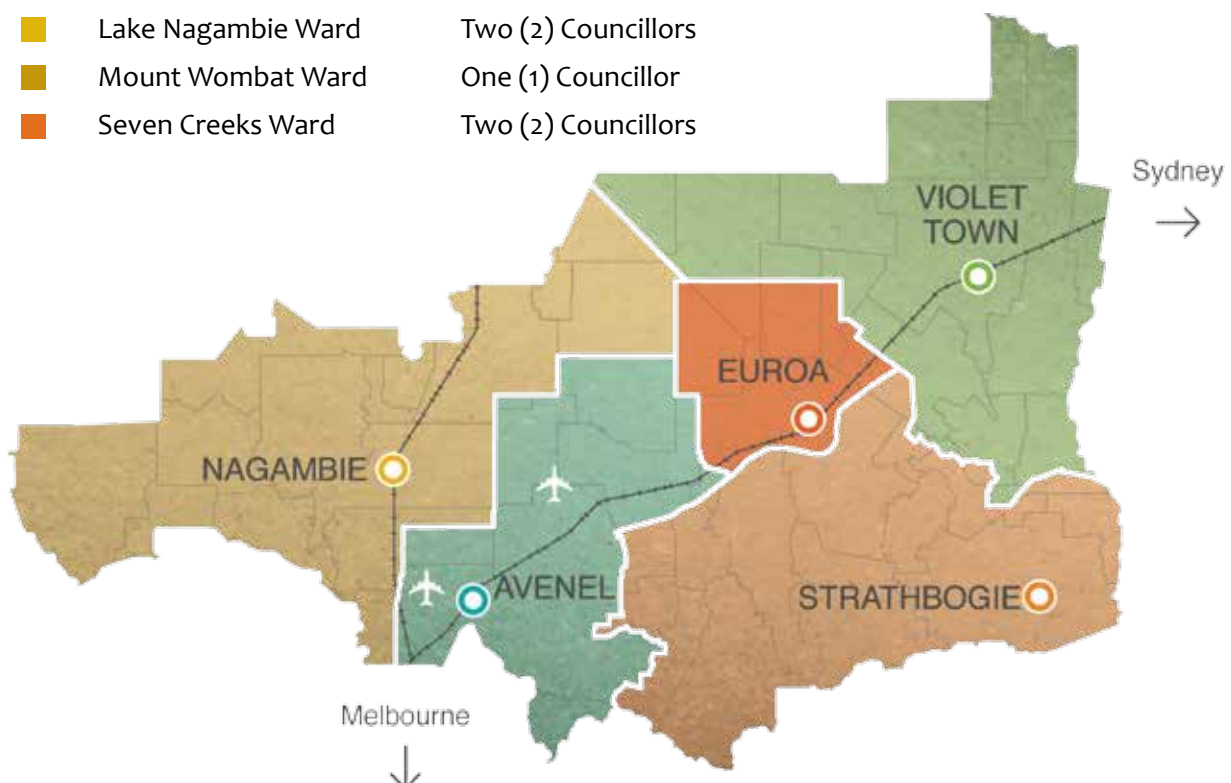
The Council was elected to provide leadership for the good governance of the municipal district and the local community. The municipality is divided into five wards, represented by one Councillor in each ward with the exception of two Councillors in the Lake Nagambie and Seven Creeks Wards.

On 27 October 2012 the Strathbogie Shire Council community elected a Council for a four-year term, expiring on 21 October 2016. A new Council was sworn in on 15 November 2016 following Local Government elections and Amanda McClaren elected as Mayor. Councillors elected not to nominate a Deputy Mayor for the first time in several years.

The seven Councillors are the elected representatives of all residents and ratepayers across the Shire. They have responsibility for setting the strategic direction for the municipality, policy development, identifying service standards and monitoring performance across the organisation. Below is a list of both Strathbogie Shire's outgoing and incoming Councillors.

STRATHBOGIE SHIRE WARDS

	Hughes Creek Ward	One (1) Councillor
	Honeysuckle Creek Ward	One (1) Councillor
	Lake Nagambie Ward	Two (2) Councillors
	Mount Wombat Ward	One (1) Councillor
	Seven Creeks Ward	Two (2) Councillors



Councillors

INCOMING COUNCILLORS - SWORN IN 15 NOVEMBER 2016



Mayor Amanda McClaren

Lake Nagambie Ward

Date elected: 15 November 2016

M 0409 700 958

E amanda.mcclaren@strathbogie.vic.gov.au



Cr John Mason

Seven Creeks Ward

Date elected: 15 November 2016

M 0429 898 473

E john.mason@strathbogie.vic.gov.au



Cr Debra Swan

Lake Nagambie Ward

Date elected: 15 November 2016

M 0408 504 711

E debra.swan@strathbogie.vic.gov.au



Cr Graeme "Mick" Williams

Seven Creeks Ward

Date elected: 15 November 2016

M 0417 317 151

E mick.williams@strathbogie.vic.gov.au

INCOMING COUNCILLORS - SWORN IN 15 NOVEMBER 2016 *continued*

Cr Malcolm Little
Hughes Creek Ward

Date elected: 15 November 2016

M 0407 549 020

E malcolm.little@strathbogie.vic.gov.au



Cr Kate Stothers
Honeysuckle Creek Ward

Date elected: 15 November 2016

M 0436 471 433

E kate.stothers@strathbogie.vic.gov.au



Cr Alistair Thomson
Mt Wombat Ward

Date elected: 15 November 2016

M 0427 335 766

E alistair.thomson@strathbogie.vic.gov.au



Councillors

OUTGOING COUNCILLORS - TERM ENDED 21 OCTOBER 2016

Mayor Cr Colleen Furlanetto

Seven Creeks Ward

Date elected: 27 October 2012

Deputy Mayor Cr Malcolm Little

Hughes Creek Ward

Date elected: 27 October 2012

Cr Debra Swan

Nagambie Ward

Date elected: 27 October 2012

Cr Graeme 'Mick' Williams

Seven Creeks Ward

Date elected: 27 October 2012

Cr Alister Purbrick

Lake Nagambie Ward

Date elected: 27 October 2012

Cr Pat Storer

Honeysuckle Creek Ward

Date elected: 27 October 2012

Cr Robin Weatherald

Mount Wombat Ward

Date elected: 27 October 2012



Back Row - L/R: Patrick Storer; Robin Weatherald; Graeme (Mick) Williams; Malcolm Little and Alister Purbrick.
Front row - L/R: Colleen Furlanetto and Debra Swan.

Our People



- Customer Service staff, Euroa Main office

Chief Executive Officer and Directors

Council is the governing body that appoints a Chief Executive Officer (CEO). The CEO has responsibility for the day-to-day management of operations in accordance with the strategic directions of the Council Plan. The CEO and three Directors form the Executive Management Team (EMT) and lead the organisation. Details of the CEO and senior officers reporting directly to the CEO are set out below.

Steve Crawcour

Chief Executive Officer

Steve was appointed the Chief Executive Officer (CEO) of Strathbogie Shire Council, effective 1 August 2011. Steve was previously Council's Director, Strategic and Community Development, a position he held since his commencement with Council in 2008. Steve has over 30 years experience in Local Government and was previously employed by the Cities of Brimbank, Warrnambool and Springvale.

He has an Advanced Diploma of Business Management, Diploma and Certificate in Occupational Health and Safety, Certificate in Critical Incidents Management, a Certificate in Telecommunications (Contact Centres) and a Diploma of Management.

He is an Associate Fellow of the Australian Institute of Management, Fellow of LGPro (Local Government Professionals), a Member of the Safety Institute of Australia and a Member of the Australian Institute of Company Directors.



Phil Howard***Director of Sustainable Development/Deputy Chief Executive Officer***

Phil commenced with Strathbogie Shire Council in 2006 and was appointed Director of Sustainable Development in November 2011 and later became Deputy Chief Executive Officer (CEO) as part of his role. Phil has worked in Local Government for over 20 years and has held roles in finance, human resources, corporate services, planning and economic development.

Prior to Local Government, Phil was an accountant for the ANZ Bank. Phil is a full member of the Planning Institute of Australia and past Board Member (VIC Division), and is also a member of LGpro, Victorian Planning & Environmental Law Association, and the Goulburn Valley Regional Collaborative Alliance.

Phil's qualifications include a Master of Arts (Community Development), Graduate Diploma Rural Regional Planning, Graduate Diploma in Management, Associate Diploma in Local Government, Diploma of Management and Graduate Alpine Valley's Leadership Program. Key areas of responsibility include sustainable development, planning, tourism, economic development, community relations and human resources.



Chief Executive Officer and Directors

Roy Hetherington

Director Asset Services

Roy was appointed Director Asset Services in December 2010.

Roy is a qualified municipal engineer with over 35 years experience in Local Government. Over the years he has worked for many Councils large and small, city and country. Roy is responsible for the management of Council's assets including buildings, roads, traffic management, bridges, drains and waste management. Other key areas of responsibility include emergency management and school crossings.



David Roff

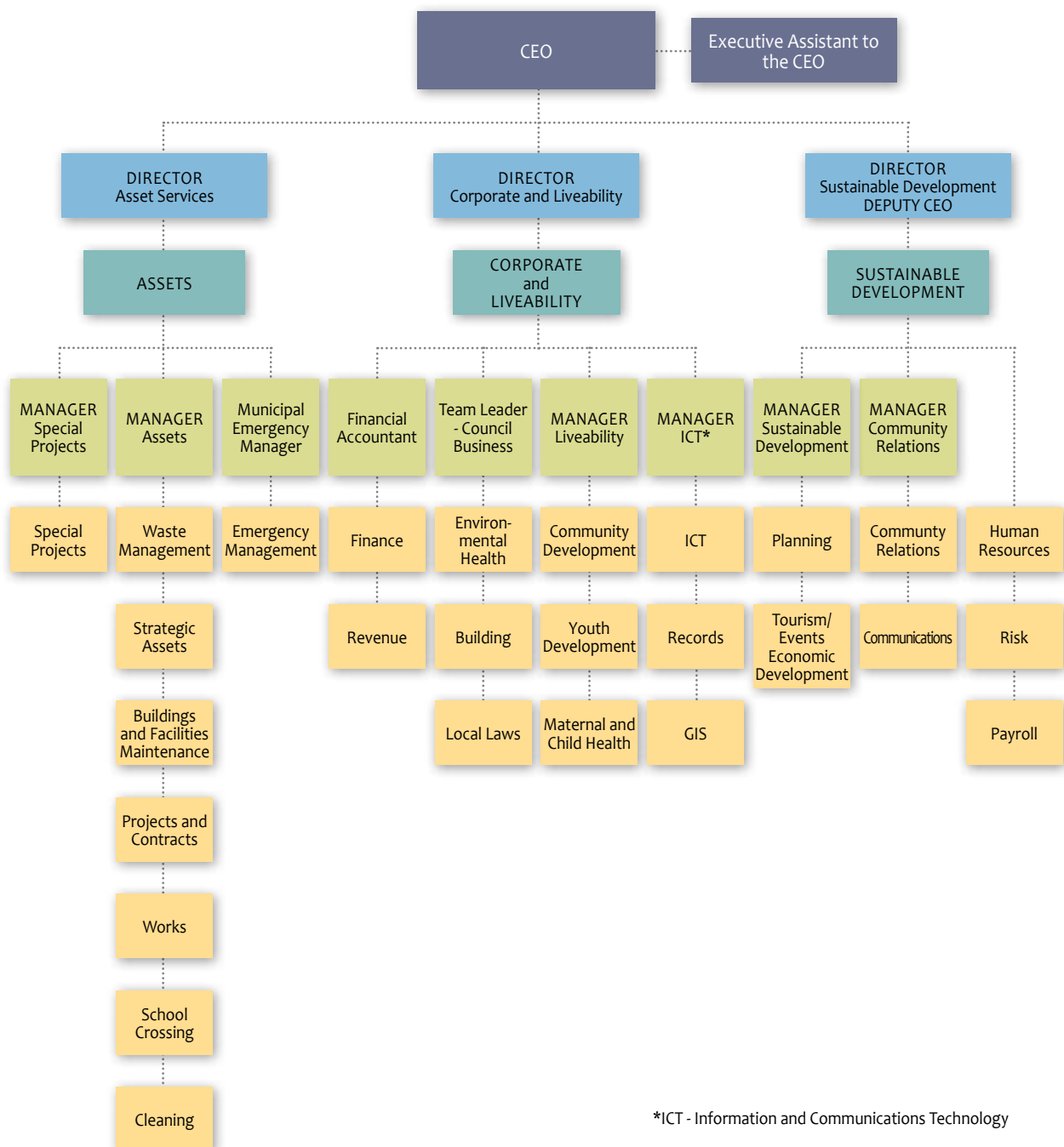
Director Corporate and Liveability

David commenced with Strathbogie Shire Council in September 2016 and has over 35 years experience in Local Government in both NSW and Victoria. This experience has been in small rural councils, metropolitan Sydney, the Victorian growth corridor and a Victorian regional city. Between 2007 and 2015, David was Chief Executive Officer with Mansfield Shire Council and prior to that spent six years as Director Business Services with Wodonga City Council.

He holds qualifications in Local Government and business. Key areas of responsibility include finance and revenue, environmental health, local laws, building services, information and communication technology, liveability and maternal and child health.



Organisational Structure Chart



*ICT - Information and Communications Technology



NAGAMBIE LAKES REGATTA CENTRE PREMIER VENUE



Strathbogies Shire is proud to boast one of Victoria's premier rowing and boating venues with the Nagambie Lakes Regatta Centre firmly positioned as an epicentre for water sports.

An action packed calendar of events in 2016-17 attracted more than 61,000 visitors and provided a valuable economic stimulus for the town and greater region. Major event draw cards included the APS Heads of the River in March 2017, attracting 17,000 participants, support crew and spectators and the Australian Masters Rowing Regatta in May, attracting 15,000. Other events included Victorian Outrigger Canoe Championships, Canoe Polo Championships and the Victorian Rowing Regatta with events throughout the year attracting overnight visitors.

The direct economic effect of this activity has been estimated to be valued at \$7.64 million and features as a critical contributor to the local economy. In addition to every direct dollar in output, there is an extra \$0.67 of activity generated within the broader community due to the industrial effects of the local purchasing of goods and services.

The venue offers a 2000m, fully buoyed, National Standard rowing and canoeing course. The man-made course was created in 1998 and forms part of the beautiful Lake Nagambie waterway which feeds from the majestic Goulburn River system. With a constant water level, a temperate climate and a full array of accommodation and catering services, the Nagambie Lakes Regatta Centre is ideally positioned as the State's leading training and event facility.

The waterways and Regatta Centre facilities are available for hire for a wide range of public events including on-water events and training, indoor and outdoor dining, conferences and private social events.





The area has been earmarked for future development and enhancement with a business case being developed for a path connecting the Regatta Centre and the centre of town, extension of the board walk, extension of the Regatta Centre Peninsula, the sealing of Mullers Road and deepening of the rowing course. Strathbogie Shire is intending to seek funding to proceed with these projects.

Key facilities include:

Kitchen

Hall

First aid room

Conference room with kitchenette and complete AV system

Judges' viewing tower

Announcers' viewing room

Boating enclosure

Boat storage shed

Outdoor boat park

Lake Nagambie

Rowing course

'Bowl' of the Lake

Peninsular waters

Access to the Goulburn River

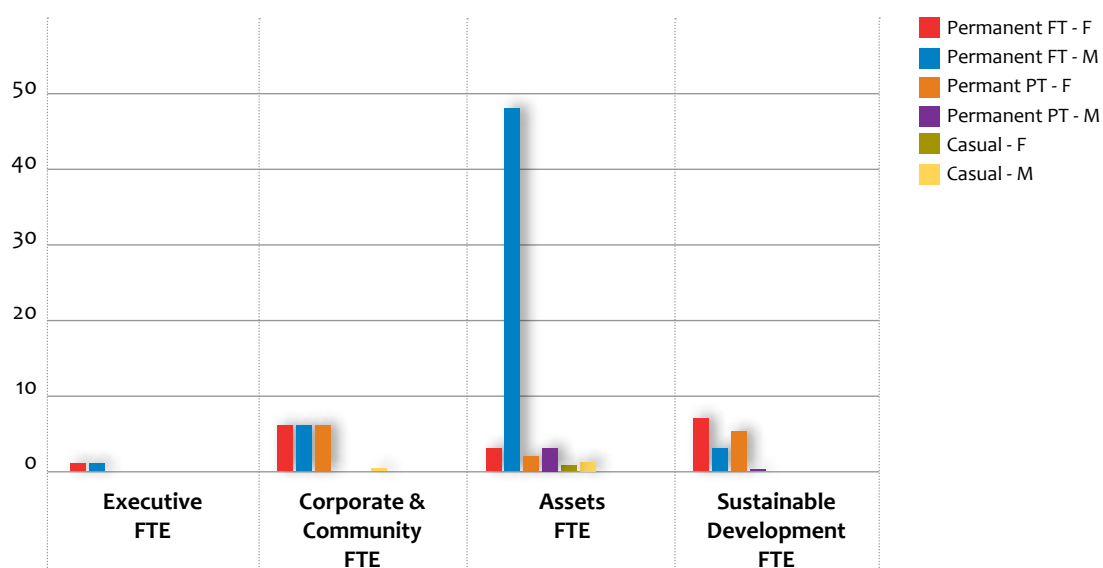


Council Staff

A summary of the number of full time equivalent (FTE) Council staff by organisational structure, employment type and gender is set out below as at 30/6/2017.

Employee type/gend	Executive FTE	Corporate & Community FTE	Assets FTE	Sustainable Development FTE	TOTAL FTE
Permanent FT – F	1	6	3	7	17
Permanent FT – M	1	6	48	3	58
Permanent PT – F	0	6.12	1.94	5.29	13.35
Permanent PT – M	0	0	3.05	0.24	3.29
Casual – F	0	0	0.73	0	0.73
Casual – M	0	0.37	1.22	0	1.59
TOTAL	2.00	18.49	57.94	15.53	93.96

FT - Full time | PT - Part time | F - Female | M - Male



A summary of the number of full time equivalent (FTE) Council staff categorised by employment classification and gender is set out below.

Structure Classification	Band 1 FTE	Band 2 FTE	Band 3 FTE	Band 4 FTE	Band 5 FTE	Band 6 FTE	Band 7 FTE	Band 8 FTE	All other FTE	Total FTE
Permanent Full Time - Female	0	0	0	4	1	7	1	0	4	17
Permanent Full Time – Male	0	0	27	6	3	6	4	0	12	58
Permanent Part Time – Female	0	1.12	0	5.1	1.86	4.06	0	0	1.21	13.35
Permanent Part Time – Male	0	1.47	0.64	0	0	0	0	0	0.95	3.06
Casual - Female	0.53	0.2	0	0.24	0	0	0	0	0	0.97
Casual – Male	0.21	0.58	0.42	0	0	0	0	0	0.37	1.58
TOTAL	0.74	3.37	28.06	15.34	5.86	17.06	5	0	18.53	93.96

FTE - Full time equivalent



- Upgrading bitumen roads

Equal Employment Opportunity

Strathbogie Shire Council's Equal Opportunity Program supports a work environment that is free from discrimination. Council has in place an organisational wide policy framework which outlines the expected standards of behaviour based on requirements under the Equal Opportunity Act 2010. Equal opportunity principles are integral to employment practices, policies, procedures and day-to-day operations of the organisation.

Council takes proactive, reasonable and proportionate measures to eliminate any form of discrimination against persons or groups of persons with the protected attributes as prescribed under the relevant Equal Opportunity and Antidiscrimination Legislation. Council recognises employees on the basis of their abilities, qualifications and skills and is committed to achieving a positive culture in the area of equal opportunity.

Council provides access to the Contact Officer network as an impartial and confidential forum for discussion of matters pertinent to equality in the workplace. In addition to eliminating discrimination, the program plays a critical role in the promotion of a workplace that is free from harassment and bullying, where all individuals associated with the organisation treat each other with respect.

The indicators that measure the effectiveness of the program and the results for the year include the provision of equal opportunity training sessions to staff and the ease at which staff can access Contact Officers. A statistical report monitoring gender equality within the organisation is tabled to Executive Management. These indicators are monitored on an ongoing basis as part of Human Resource functions.

Additional actions supporting principles of the Equal Opportunity Program include Council's Parental Leave Kit, which provides management with practical tools to support staff in ensuring gender equality in areas such as breastfeeding in the workplace and enabling access to educational information relating to achieving a work-life balance.



Other Staff Matters

ENTERPRISE BARGAINING AGREEMENT

A new Enterprise Bargaining Agreement took effect from 1 July 2015 and was successfully negotiated with the Enterprise Bargaining Committee, comprising of management representatives, nominated workplace delegates (union and non-union) and union officials. The agreement spans a four year period and included productivity improvements and reasonable wage increases consistent with CPI and the long term financial plan of Council.

PROFESSIONAL DEVELOPMENT

In order to ensure a highly skilled and productive workforce, Council provides a variety of avenues for professional development and personal growth. Opportunities to improve the capacity of the organisation and enhance skill levels are considered against identified strategic objectives and assessment of training needs, which are identified through individual performance and development plans.

Opportunities for flexible learning such as e-learning, facilitated workshops and mentoring are considered valuable and greatly benefit the individual staff member and Strathbogie Shire Council. Apprenticeships and traineeship schemes are effectively utilised within Council and provide an additional career pathway. Study assistance is offered for employees undertaking relevant tertiary courses.

The list below details essential training undertaken across the organisation during the 2016-17 financial year:

5 employees completed Diploma level training as a part of their employment

19 employees and Councillors undertook Child Safety Training

57 employees undertook First Aid and CPR training

70 employees undertook the Work Safe Bully Zero Program

5 employees undertook Fire Warden Training

5 employees undertook a 5 day OHS training program

Other Staff Matters

STAFF SERVICE AWARDS

Strathbogie Shire Council values the important role its staff play in the success of the organisation. During the 2016-17 financial year a number of staff service awards were presented in recognition of key service milestones. These included:

7 awards for 5 years of service

8 awards for 10 years of service

4 awards for 15 years of service

1 award for 35 years of service

HEALTH AND SAFETY

Strathbogie Shire Council is committed to ensuring the health, safety and wellbeing of all those associated with Council. This responsibility is achieved through allocating the necessary resources for practicable and identifiable health and safety purposes. The organisation views the health and safety of employees as a priority and takes a range of measures to achieve compliance with relevant legislation and best practice workplace safety.

Participation in the McArthur Life App Survey - Pilot Program began in February 2017 and has been identified as a valuable tool. Conducted on a monthly basis, the voluntary survey will span a 12 month period and allows employees to provide continuous feedback on seven key areas through the selection emoji's ranging from 'Very Happy' to 'Very Unhappy'. Involvement in the program provides an opportunity for the organisation to easily and effectively assess how staff collectively feel about each of the focus areas.

The monthly completion of the survey allows for ongoing assessment of improvement programs and assists in the evaluation of their success. A more detailed Employee Satisfaction Survey will be rolled out at the completion of the 12 month pilot program and will be informed by the findings achieved throughout the pilot period.

Strathbogie Shire is involved in a wide range of health and wellbeing activities and events aimed at promoting improved health and wellbeing at a staff and community level. Community awareness initiatives such as Relay for Life and informal activities held internally are actively supported by the Executive Management Team and deemed to be effective in building awareness about a wide range of general health and wellbeing matters.

PREVENTING VIOLENCE AGAINST WOMEN

Strathbogie Shire Council continued to champion the violence against women White Ribbon Day initiative and lead the community in taking a strong stance on violence against women. This focus continues to shine a light on the devastating impact violence against women has on victims and the community as a whole.

Strathbogie Shire Council Chief Executive Officer Steve Crawcour is proud to be an official White Ribbon Ambassador and has taken an active role in advocating for this initiative. Strathbogie Shire Council supported the first ever Goulburn Valley Football League White Ribbon round in August 2016 which saw footballers and netballers take the White Ribbon Oath – a verbal commitment to stand up and speak out against domestic violence.

- *Equal Employment and Shared Values*





- *EVOLVE - Youth Bike competition, Euroa*

Our Performance



Planning and Accountability Framework

The Planning and Accountability Framework is found in part six of the *Local Government Act 1989 (The Act)*. The Act requires councils to prepare the following planning and reporting documents:

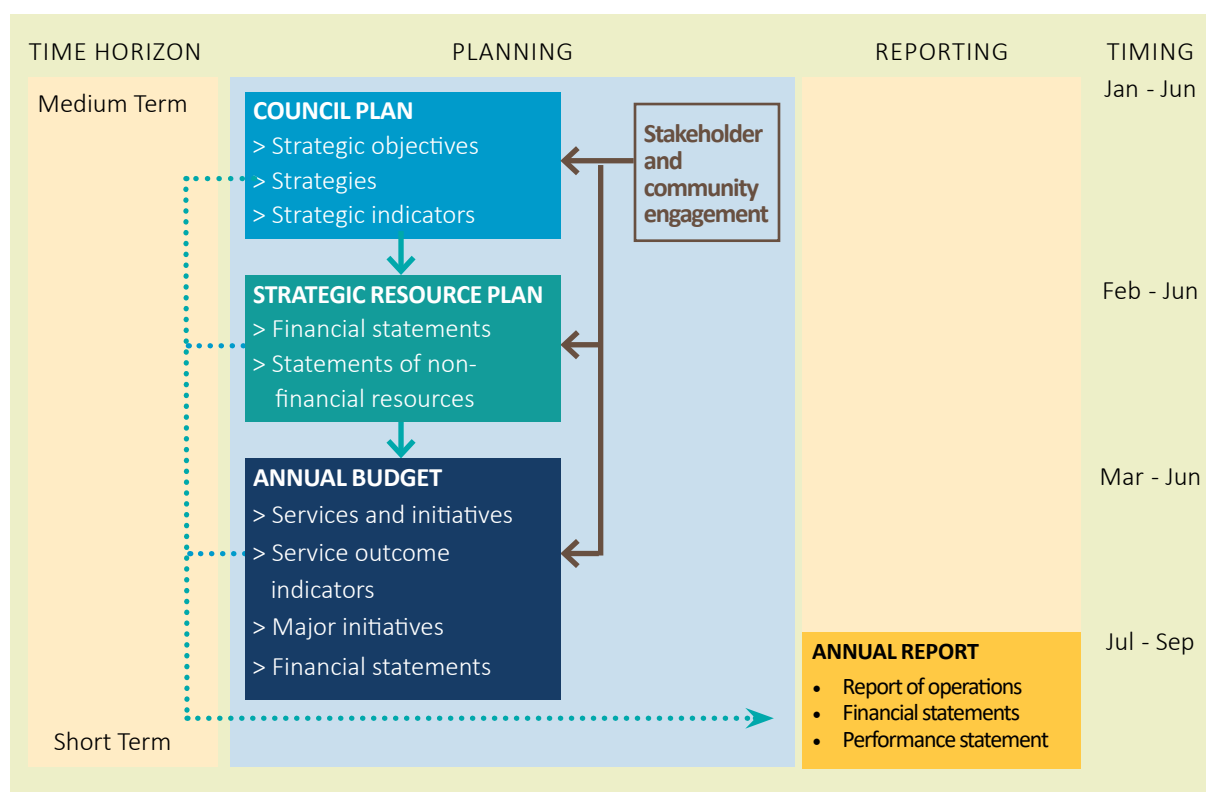
A Council Plan within the six months after each general election or by 30 June, whichever is later

A Strategic Resource Plan for a period of at least four years and include this in the Council Plan

A Budget for each financial year

An Annual Report in respect of each financial year

The following diagram shows the relationships between the key planning and reporting documents that make up the planning and accountability framework for Local Government. It also shows that there are opportunities for community and stakeholder input and feedback at each stage of the planning and reporting cycle.



Council Plan

The Council Plan 2013-17 includes strategic goals, strategies for achieving these for the four year period, strategic indicators for monitoring achievement of the strategic objectives and a Strategic Resource Plan.

The following are the seven strategic goals as detailed in the Council Plan

1	Community Wellbeing		A community that has equitable access to a range of quality services which respond to its diverse needs and supports the wellbeing of our communities.
2	Environment		To promote and foster sustainable development in our natural and built environment.
3	Financial		To ensure prudent, transparent and strategic financial planning which results in a sound legacy for the future.
4	Governance		A Shire that builds trust and recognises community needs through transparent, accountable and democratic decision making.
5	Industry, Business and Investment		Encourage investment and development into the Shire by having a responsive and proactive business development culture.
6	Infrastructure		Ensure the Shire's infrastructure enhances efficiency for people and freight movement, service delivery and community amenities.
7	Tourism and Hospitality		A desirable and safe destination that supports the development of tourism and hospitality enterprises that drive economic growth across our Shire.



Performance

Council's performance for the 2016-17 year has been reported against each strategic objective to demonstrate how Council is performing in achieving the 2013-17 Council Plan.

Performance has been measured as follows:



Results achieved in relation to the 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



- Violet Town Library, official opening.



STRATEGIC OBJECTIVE 1: Community Wellbeing

STRATEGIC INDICATORS

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	Comments
Enhance the wellbeing and participation of our community		
Continue to support and participate in the Strathbogie Health and Community Services Consortium	100%	Memorandum of Understanding has been finalised and awaiting meeting schedule for 2017-18.
Collaborate and provide support to the development of Community Action Group Action Plans	100%	The Community Development Strategy has been adopted. Community Plans will be developed in line with Local Government legislation in the future.
Support the “Prevention of Violence Against Women and Children Supporting Safer Communities” Action Plan	100%	Council has supported the program through representation on the steering committee which has come to a close. Council continues to support White Ribbon Day events.
Investigate opportunities for Shire-wide youth cultural activities	100%	Council’s youth program includes the Evolve Youth Committee which is made up of members from across the Shire who meet regularly to organise a range of events. FReeZa funding supports the provision of these cultural and music activities.



STRATEGIC OBJECTIVE 1: Community Wellbeing

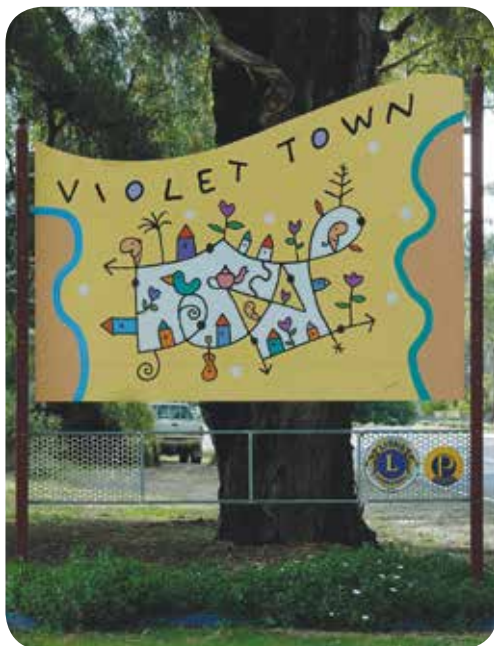
Strategic Indicator / Measure	Result	Comments
Enhance the wellbeing and participation of our community <i>continued</i>		
Provide customer friendly access and services to our community	40%	The Customer Contact Philosophy addresses the delivery of quality customer service. Staff have demonstrated the ability to resolve over 80% of all calls at the first call. Customer Service Benchmarking is also improving the quality of service provided. Strathbogie has achieved the number 1 ranking from over 30 Councils right across Australia – twice and will continue to strive to achieve this target. Improvements in technology will eventually result in an online customer chat which is planned to act as a face to face tool to improve access for remote customers. A new Customer Service Strategy is currently under development.
Continue to investigate funding opportunities and suitable locations for community precinct development (incorporating skate facilities) in Avenel and Nagambie	50%	Council continues to engage community members and young people to develop plans for better skate park facilities.
Support Euroa Health's new development by providing up to \$300,000 to fit out the 75 rooms by way of beds, bed heads, over-bed table and bedside cabinet, console and hall tables	100%	Council contributed \$300,000 to Euroa Health's new development in 2016-17. Councillors had the opportunity to tour the facility and attended the official opening.

Strategic Indicator / Measure	Result	Comments
Increase community services to Nagambie Post bypass		
Advocate for a full time child care facility in Nagambie	100%	Nagambie has in place long day care programs offered at the Nagambie preschool centre to meet child care needs.
Advocate for funding of Nagambie Lakes Community House	100%	Council supported the group's 'Work for the Dole' initiative to construct the shed and shelter for joint use with Nagambie Tennis Club. A successful budget bid for \$10,000 assisted the group to expand and improve the meeting room and access to external facilities.
Continue to advocate for an Ambulance service and a combined emergency services hub based in Nagambie	100%	A permanent Ambulance service commenced in October 2016 with support from Ambulance Victoria. The Ambulance service is staffed by Ambulance Community Officers and receives paramedic support at peak times. Ambulance Victoria is continuing to monitor and analyse the service over the next 18 months.
Advocate for a High School in Nagambie	10%	Students living in Nagambie attend schools in Euroa, Seymour and Shepparton. Council will continue to advocate for a High School for the town when opportunities present. The 2017-21 Council Plan features education as one of twelve key advocacy areas.
Provide equitable and high standard public transport services/ facilities		
Advocate for improved train station facilities across the Shire	75%	The Mayor and CEO raised concerns with Jaclyn Symes Member for Northern Victoria at the launch of the 4th train set for the North East Line in February.
Advocate for better time-tabling and shuttle services between Shepparton to Seymour and Wodonga to Seymour	75%	The Mayor and CEO raised concerns with Jaclyn Symes Member for Northern Victoria at the launch of the 4th train set for the North East Line in February.

STRATEGIC OBJECTIVE 1: Community Wellbeing

The following statement reviews the progress of Council in relation to major initiatives identified in the 2016-17 Budget for the year.

Major Initiatives	Progress
\$10,000 Tree Planting Program	263 trees planted Shire wide as part of the Tree Planting Program.
Implementation of the Violet Town Community and Recreation Reserve Master Plan \$60,000	<p>Council has provided funding to provide upgraded toilet facilities at the Recreation Reserve as a high priority element of both plans.</p> <p>The Community is undertaking planning work to reconstruct and improve the old concrete block toilet block adjacent to the Eastern entrance to the reserve carpark off Tulip Street.</p>



• Violet Town Entrance signage



• Seven Creeks Park, Euroa

SERVICES

The following statement provides information in relation to the services funded in the 2016-17 Budget and the persons or sections of the community who are provided the service.

Service	Description
Environmental Health	This service protects the community's health and well-being by coordinating food safety support programs, Tobacco Act activities, immunisation programs and public health promotions. The service also works to rectify any public health concerns relating to unreasonable noise emissions, housing standards and pest controls.
Libraries & Arts	This service provides public library services at three locations and a community cinema in Euroa. It provides a customer focused service that caters for the cultural, educational and recreational needs of residents and provides a focal point for the community where they can meet, relax and enjoy the facilities and services offered.
Community Grants and Recreational Planning	This service provides funding for the development of community facilities and activities.
Maternal and Child Health	This service provides family oriented, visiting and centre based maternal and child health services.
Service	Description
Youth Services	This service provides youth facilities and a range of recreation and education based youth activities. Programs include FReeZA, National Youth Week and the L2P Learner Driver Mentor Program.
Aged and Disabled Community Care and Support	This service provides services to the aged through senior citizens' centres.
Street Lighting	This service enhances public safety and community access by providing street lighting in urban areas.
Parks and Reserves	This service is responsible for the management, maintenance and safety of parks and gardens, sporting grounds and playground facilities.
Emergency Services	This service includes financial assistance for the SES service, fire prevention activities and flood risk planning and mitigation.

STRATEGIC OBJECTIVE 1: Community Wellbeing

SERVICE PERFORMANCE INDICATORS

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

	Results			
Service/Indicator/Measure	2015	2016	2017	Comments
Animal Management				
Timeliness Time taken to action animal management requests [Number of days between receipt and first response action for all animal management requests/ Number of animal management requests]	0	1.33	1.26	No material variations
Service Standard Animals Reclaimed [Number of animals reclaimed/ Number of animals collected] x 100	54%	59.38%	17.44%	Increased attention to feral cat problem saw more animals collected and subsequently euthanased.
Service Cost Cost of animal management service [Direct cost of the animal management service / Number of registered animals]	\$56.21	\$61.74	\$61.72	No material variations
Health and Safety Animal Management prosecutions [Number of successful animal management prosecutions]	0	0	0	No material variations

	Results			
Service/Indicator/Measure	2015	2016	2017	Comments
Food Safety				
Timeliness Time taken to action food complaints [Number of days between receipt of first response action for all food complaints/ Number of food complaints]	0	1.50	1.67	Of the 3 complaints one took 3 days. From 1 July 2016, ‘Time taken to action food complaints’ will be reported by calendar year. Previously this indicator was reported by financial year. This has been implemented to better align reporting with the Department of Health and Human Services. This may result in some variances year on year.
Service Standard Food Safety assessments [Number of registered class 1 food premises and class 2 food premises that receive an annual food safety assessment in accordance with the food Act 1984/ Number of registered class 1 food premises and class 2 food premises that require an annual food safety assessment in accordance with the Food Act 1984] x 100	81%	100%	102.27%	No material variations



STRATEGIC OBJECTIVE 1: Community Wellbeing

	Results			
Service/Indicator/Measure	2015	2016	2017	Comments
Food Safety continued				
Service Cost Cost of food safety service [Direct cost of the food safety service/Number of food premises registered or notified in accordance with the Food Act 1984]	\$603.73	\$633.93	\$599.95	No material variations
Health and Safety Critical and major non-compliance outcome notifications [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up/ Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x 100	100%	0%	0%	From 1 July 2016, ‘Critical and major non-compliance outcome notifications’ will be reported by calendar year. Previously this indicator was reported by financial year. This has been implemented to better align reporting with the Department of Health and Human Services. This may result in some variances year on year
Libraries and Arts				
Utilisation Library collection usage [Number of library collection item loans/ Number of library collection items]	1.87	2.29	2.20	No material variations

	Results			
Service/Indicator/Measure	2015	2016	2017	Comments
Libraries and Arts continued				
Resource Standard Standard of library collection [Number of library collection items purchased in the last 5 years/ Number of library collection items] x 100	36%	46.46%	46.79%	No material variations
Service Cost Cost of library service [Direct cost of the library service/ Number of visits]	\$2.64	\$2.84	\$2.21	Operating cost approximately \$250,000 less than previous year



- Euroa Library: extensive variety of services



STRATEGIC OBJECTIVE 1: Community Wellbeing

	Results			
Service/Indicator/Measure	2015	2016	2017	Comments
Library and Arts continued				
Participation Active Library Members [Number of active library members/Municipal population] x 100	25.62%	27.16%	23.11%	Population increase by 5.1% through use of Census data. The number of Active Library Members has shown a decline in Strathbogie and across the Goulburn Valley (GV) Libraries region. There is no particular reason identified for this decline. Overall membership has increased across the GV Libraries region. This measure only captures members who have participated in Library services through borrowing or renewing a physical or eBook item only, in the previous 12 months. It specifically does not count members who have only participated through passive visits, meetings, social groups, reading in house newspapers & magazines, use of computers, wifi, online and in library resources, copying, printing, attending programs such as storytime or tech savvy seniors, outreach services and volunteering etc

	Results			
Service/Indicator/Measure	2015	2016	2017	Comments
Maternal and Child Health				
Participation Participation in the first MCH home visit [Number of first MCH home visits/ Number of birth notifications received] x 100	102%	101.20%	97.59%	No material variations
Service Standard Infant enrolments in the MCH service [Number of infants enrolled in the MCH service (from birth notifications received)/ Number of birth notifications received] x 100	100%	100%	100%	No material variations
Service Cost Cost of the MCH Service [Cost of the MCH service/ Hours worked by MCH nurses]	\$0	\$79.70	\$76.32	No material variations
Participation Participation in MCH Service [Number of children who attend the MCH service at least once (in the year)/ Number of children enrolled in the MCH service] x 100	84.66%	84.35%	83.87%	No material variations



STRATEGIC OBJECTIVE 1: Community Wellbeing

	Results			
Service/Indicator/Measure	2015	2016	2017	Comments
Maternal and Child Health continued				
Participation Participation in MCH service by Aboriginal children [Number of Aboriginal children who attend the MCH service at least once (in the year)/ Number of Aboriginal children enrolled in the MCH service] x 100	100%	100%	100%	No material variations
Environmental Health				
Health and Safety Critical and major non-compliance notifications [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] x 100	100%	0%	0%	Council received no critical or major non-compliance food safety notifications in the 2016-17 reporting period





STRATEGIC OBJECTIVE 2: Environment

STRATEGIC INDICATORS

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	Comments
Encourage clean, green environmental initiatives		
Continue to develop the Violet Town Flood Mitigation Scheme	75%	The restrictions of the current legal framework have been identified in the Regional Floodplain Management Strategy, currently under development. The matter will be raised at the MAV State Council.
Review Organic Household Waste Service Roll Out	100%	Review undertaken and data provided to Council. 2016-17 – 1315 tonnes of organics collected 2015-16 – 1057 tonnes of organics collected
Investigate and support alternative energy options for the Shire	100%	Advanced considerations are continuing following discussions with a number of lead players about initiatives enabling alternative energy options for the Shire. A presentation has been made to the Sustainable Development Reference Group on the potential to install solar panels to the Saleyards' roof.
Encourage commercial food waste collection services	100%	Larger organic bin liners purchased and delivered to Council. Face to face discussions with interested food outlets have taken place to promote the availability of these liners and encourage further participation in the organics collection program. A number of businesses, as well as schools, have taken up the liners with the proviso they provide feedback on the success of the liners. Feedback received has been positive with participants willing to continue utilising the service with larger bin liners. There are currently 167 commercially rated properties utilising the organics collection service.

STRATEGIC OBJECTIVE 2: Environment

Strategic Indicator / Measure	Result	Comments
Develop, maintain and protect our natural and built assets		
Support the Euroa Environment Group to develop a Shire-wide Significant Tree Register on public land	75%	Assistance is on offer to the group.
Adopt Council's Tree Management Plan	75%	The Tree Management Plan, in draft form, is being reviewed by Council's Tree Project Officer. It will be presented to the Executive Management Team for endorsement as part of the STEP.
Support the actions in the Shire's Community Safety Fire Action Plan	80%	Elements of the future 'Community Safety Fire Action Plan' are currently in progress including approved neighbourhood safer places, municipal fire inspections and notices and review of the Municipal Fire Management Plan. Actions are fully supported for all above mentioned elements of the Community Safety Fire Action Plan.
Work with the "Bush Crew" where possible as part of the Shire's revegetation programs	0%	The Team Leader Sustainable Development (Environmental Officer) commenced 30 January 2017 and will form a key component of this action.
Promote responsible dog ownership across the Shire by disposing of litter responsibly	100%	Council's Local Law 6 requires dog owners to dispose of dog waste. The information is available on the Council website. Council provides dog waste bags in the main streets of Euroa and Nagambie.
Review Council's Local Law Number 6 in relation to increasing penalties for illegal dumping such as dumping of householders' waste in public place bins	10%	Better enforcement of the current local laws through contract management is expected to negate the need to review and change the current Local Law 6 which does not expire until 2020.

Strategic Indicator / Measure	Result	Comments
Develop, maintain and protect our natural and built assets <i>continued</i>		
Include the revision of the Road Management Plan intervention levels and Council Policy on providing Dust Suppressant	95%	The provision of dust suppressant by road users has been addressed in the draft 2017 Road Management Plan review.
Investigate options to engage an Environmental and Land Management Officer by either Shared Services/contractor or direct employment, and report back to Council no later than 31/12/16	100%	The Team Leader Sustainable Development (Environmental Officer) commenced 30 January 2017. Major initiatives achieved in the solar bulk buy program and “Cities Power Partnership”.



- ‘Bogie’ Solar Bulk Buy Launch, Euroa



STRATEGIC OBJECTIVE 2: Environment

The following statement reviews the progress of Council in relation to major initiatives identified in the 2016-17 Budget for the year.

Major Initiatives	Progress
Provision of best practice waste collection service	Council has continued to provide this service while reducing the cost by \$7 per property. 1315 tonnes of organic material was collected and processed into compost and 1056 tonnes of recyclable material was collected from kerbside collections and diverted from landfill during 2016-17.
Continued membership with the Goulburn Broken Greenhouse Alliance	Strathbogie Shire Council is one of nine members of the Goulburn Broken Greenhouse Alliance. The Alliance plays a lead role in the identification and implementation of a range of projects aimed at mitigating the effects of a changing climate and achieving sustainable outcomes.
Provision of roadside weed and pest management	Results in the area of weed and pest management saw 17 species and more than 136 country roads successfully treated in the 2016-17 year as part of the Roadside Weed and Pest partnership between Strathbogie Shire Council, Strathbogie Shire Landcares (some 11 landcare groups) and the Victorian State Government.
Implementation of Council's Environment Strategy	Appointed Team Leader of Sustainable Development in January 2017 following a Council Plan initiative. This position has a focus on reducing roadside weeds and pest management.



SERVICES

The following statement provides information in relation to the services funded in the 2016-17 Budget and the persons or sections of the community who are provided the service.

Service	Description
Sustainability Management	Council is committed to responsible and sustainable management of the Shire's natural resources. Programs in this service area include Pests and Weeds program, Implementation of Council's Environmental Strategy and the Carbon Footprint Assessment Program.
Waste Management	This service includes kerbside garbage and recycling collections, transfer station operations and waste management of public areas.

SERVICE PERFORMANCE INDICATORS

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

Service/Indicator/Measure	Results			Comments
	2015	2016	2017	
Waste Collection				
Satisfaction				
Kerbside bin collection requests [Number of kerbside garbage and recycling bin collection requests/ Number of kerbside bin collection households] x 100	33.7	102.8	32.86	Three bin system was introduced in 2015-16 and there was a spike in requests . The service is now bedded down and requests are less.



STRATEGIC OBJECTIVE 2: Environment

	Results			
Service/Indicator/Measure	2015	2016	2017	Comments
Waste Collection continued				
Service Standard Kerbside collection bins missed [Number of kerbside garbage and recycling collection bins missed/ Number of scheduled kerbside garbage and recycling collection bin lifts] x 10,000	0.76	4.74	2.39	Improved performance of contractor has seen less bins missed
Service Costs Costs of kerbside garbage bin collection service [Direct cost of the kerbside garbage bin service/ Number of kerbside garbage bins]	\$58.90	\$93.18	\$93.81	No material variations
Service Cost Cost of Kerbside recyclables collection service [Direct cost of the kerbside recyclables bin collection service/ Number of kerbside recyclables collection bins]	\$49.70	\$86.98	\$87.54	No material variations
Waste Diversion Kerbside collection waste diverted from landfill [Weight of recyclables and green organics collected from kerbside bins/ Weight of garbage, recyclables and green organics collected from kerbside] x 100	31.51%	68.24%	70.30%	No material variations between 2015-16 to 2016-17. Low rate in 2014-15 was prior to introduction of three bin system which has substantially increased diversion from landfill.



STRATEGIC OBJECTIVE 3: Financial

STRATEGIC INDICATORS

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	Comments
Rationalise Council owned assets		
Investigate and determine underutilised assets within the Shire	90%	Investigation and review of underutilised assets is ongoing and a key consideration by the Executive Management Team.
Continue to focus on improving operational efficiencies by decreasing costs		
Continue to drive the Shared Service Project with Shepparton and Moira in an endeavour to reduce operating expenditure and ensure efficiencies of service	100%	The Alliance continued to meet with a new Business Plan endorsed.
Target major Capital Works Projects to seek government funding to reduce Council's costs	100%	Grant applications for the 2016-17 year undertaken with a number of applications ongoing.
Explore the take up partnership opportunities of non-core services with other Shires and organisations	100%	Discussion continuing around provision of a skills based support staff pool.
Reduce Council's infrastructure gap in a financially responsible manner as per Council's Long Term Financial Plan	100%	The 2017-18 Budget shows the renewal gap has been closed with two major classes of assets to be funded via other means if necessary in the future.



STRATEGIC OBJECTIVE 3: Financial

Strategic Indicator / Measure	Result	Comments
Continue to focus on improving operational efficiencies by decreasing costs <i>continued</i>		
Seek grant funding opportunities wherever possible	100%	The CEO, Executive and Management actively seek grant opportunities relevant to the Council Plan. This is supported by external consultants and networking with government agency staff and Local and Federal politicians. The 2017-21 Council Plan has been adopted and contains initiatives to increase grant opportunities. In addition, through the Goulburn Valley Regional Collaborative Alliance, Council has purchased the “Grant Ready” software which will advance grant opportunities for Council and the community.
Investigate and maximise use of Special Charge Schemes/ Levies	100%	The Rowe Street special charge scheme was implemented in 2016-17.
Ensure Council has equitable support financially from both Federal and State Governments		
Advocate to both Federal and State Government to ensure that the current funding formulas provide equitable funds to Local Government	100%	Council under its 2017-21 Council Plan, is formulating an Advocacy Program and will continue to advocate to ensure equity in regard to funding formulas.

The following statement reviews the progress of Council in relation to major initiatives identified in the 2016-17 Budget for the year.

Major Initiatives	Progress
Continue to seek out opportunities to reduce costs while maintaining or improving services to the community it serves.	A continued review of service delivery has allowed for identification of improved efficiencies and cost reduction in a number of areas. Council has successfully continued to fund ongoing service delivery in a business as usual capacity.

Major Initiatives	Progress
Investigate future opportunities arising from the 'Shared Services' Alliance with the City of Greater Shepparton and Moira Shire Council.	Council has continued its involvement in the Shared Service Project with Shepparton and Moira which has resulted in reduced operating expenditure and also achieved improved efficiencies. The Alliance has endorsed a new Business Plan.

SERVICES

The following statement provides information in relation to the services funded in the 2016-17 Budget and the persons or sections of the community who are provided the service.

Service	Description
Financial and Administration Services	This service area provides financial advice and support to providers of all Council services, including budget preparation, long term financial planning, periodic reporting, processing of debtors and creditors and statutory financial requirements, including FBT and GST reporting.

SERVICE PERFORMANCE INDICATORS

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

Service/Indicator/Measure	Results			Comments
	2015	2016	2017	
None				



STRATEGIC OBJECTIVE 4: Governance

STRATEGIC INDICATORS

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	Comments
Engage our community in our decision making processes		
Continue to deliver a program that provides increased Councillor interaction with the community in their local settings	72%	Delivery of the 'Let's Talk We Are Listening' community engagement campaign across the townships of Avenel, Euroa, Graytown, Longwood, Nagambie, Ruffy, Strathbogie and Violet Town.
Provide a workforce that is accountable and transparent in its operations		
Address the actions required from the Internal Auditors reports and report back to Council via the Audit Committee	100%	The actioning of items identified by Internal Auditors reports is an ongoing process. The Audit Committee was updated on these actions at the June meeting.
Executive Management team to monitor and review the ongoing performance of all staff operations and report back to Council	90%	The Corporate Plan has been completed. The Executive Team reviewed the 2017-21 Council Plan to ensure the organisation has the resources to deliver key strategies and actions identified in the Plan and also achieve the Capital Works Program without restricting standard services.

The following statement reviews the progress of Council in relation to major initiatives identified in the 2016-17 Budget for the year.

Major Initiatives	Progress
In conjunction with the Victorian Electoral Commission Council Elections were held in October 2016	The new Council was sworn in on 15 November 2016 following Local Government elections.

SERVICES

The following statement provides information in relation to the services funded in the 2016-17 Budget and the persons or sections of the community who are provided the service.

Service	Description
Governance	The area of governance includes the Mayor, Councillors, Chief Executive Officer and other Executive Management costs which cannot be easily attributed to the direct service provision areas.



- *Advocating for better outcomes for the people of Strathbogie Shire(left)*
- *Euroa Saleyards (right)*

STRATEGIC OBJECTIVE 4: Governance

SERVICE PERFORMANCE INDICATORS

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

	Results			
Service/Indicator/Measure	2015	2016	2017	Comments
Governance				
Transparency Council decisions made at meetings closed to the public [Number of Council resolutions made at ordinary or special meetings or Council, or at meetings of a special committee consisting only of Councillors, closed to the public/ Number of Council resolutions made at ordinary or special meetings of Council or at meetings of a special committee consisting only of Councillors] x 100	16%	6.99%	15.45%	The vast majority of closed items were in relation to acceptance of tenders
Consultation and engagement Satisfaction with community consultation and engagement [Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement]	47	46	41	Survey result. Council yet to review results of survey.



	Results			
Service/Indicator/Measure	2015	2016	2017	Comments
Governance continued				
Attendance Councillor attendance at Council meetings [The sum of the number of Councillors who attended each ordinary and special Council meeting/ (Number of ordinary and special Council meetings) x (Number of Councillors elected at the last Council general election)] x 100	90%	89.01%	81.82%	No material variations
Service Cost Cost of Governance [Direct cost of the governance service/ Number of Councillors elected at the last Council general election]	\$35,511	\$35,993	\$39,430	No material variations
Satisfaction Satisfaction with Council decisions [Community satisfaction rating out of 100 with how Council has performed in making decisions in the interest of the community]	48	48	38	Survey result. Council yet to review results of survey.



STRATEGIC OBJECTIVE 5: Industry, Business & Investment

STRATEGIC INDICATORS

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	Comments
Ensure Council has the ability to provide a single point of contact for the customers		
Seek funding to use interactive kiosks at each Library with up to date Council information and with the ability to print	100%	Unable to identify any funding for this. Living Libraries Infrastructure grant does not cover this type of equipment.
Support Nagambie Traders post bypass		
Support the Nagambie Lakes Tourism and Commerce (NLTC) Committee in relation to branding, marketing and development of High Street Nagambie retail area	15%	Council has worked closely with NLTC to improve visibility of the Love Strathbogie Brand and provided access to imagery. NLTC has been closely consulted with on the revitalisation of the main street/Visitor Information Centre and angle parking for Nagambie.
Support and enhance a 'Can-Do' culture		
Investigate the formation of an education alliance group around advocacy, information sharing, strategic partnership and economic development	100%	The role of Council to advocate on behalf of its community remains a strategic focal point and is identified as a key goal in the 2017-21 Council Plan with 12 advocacy areas detailed.
Support actions in Council's Economic Development Master Plan	60%	<p>The review of the Economic Development Master Plan was completed in late 2015. The original report featured 93 actions of which 21 have been completed, 35 are on-going, 16 are in progress and 21 not started.</p> <p>The revised report featured 29 actions, of which 2 are completed, 10 on-going, 11 in progress and 6 not started.</p>

Strategic Indicator / Measure	Result	Comments
Support and enhance a 'Can-Do' culture <i>continued</i>		
In partnership with Federal and State Government Departments, host foreign trade missions to deliver potential economic growth opportunities	30%	Council is continuing to identify opportunities with all levels of Government to participate in foreign trade missions.
Support Business Euroa to develop and conduct a Shire-wide Business Survey	100%	The Business Survey was undertaken in September 2016 and generated 140 responses. Survey findings were released to the public. Councillors received a briefing on survey outcomes in March 2017.

The following statement reviews the progress of Council in relation to major initiatives identified in the 2016-17 Budget for the year.

Major Initiatives	Progress
In 2016-17 Council has committed to the implementation of the Shire Wide Economic Development Master Plan to maximise its economic development and growth opportunities into the future	<p>Council is working with a number of major developers in Euroa, Nagambie and the Mangalore airport on key projects.</p> <p>The rezoning of 30 hectares of land for the expansion of an industrial zone.</p>

STRATEGIC OBJECTIVE 5: Industry, Business & Investment

SERVICES

The following statement provides information in relation to the services funded in the 2016-17 Budget and the persons or sections of the community who are provided the service.

Service	Description
Planning	This service area processes all planning applications, provides advice and makes decisions about development proposals which require a planning permit, as well as representing Council at the Victorian Civil Administrative Tribunal where necessary. It monitors the Council's Planning Scheme as well as preparing major policy documents shaping the future of the Shire. It also prepares and processes amendments to the Council Planning Scheme and carries out research on demographic, development, economic and social issues affecting Council.
Building	This service area provides statutory building services to the community including processing of building permits, emergency management responsibilities, fire safety inspections, audits of Council buildings and investigations of complaints and illegal works.
Grants	This service area researches grant funding opportunities for Council projects and programs and manages the associated application, monitoring and acquittal processes.
Strategic Projects	This service area provides resources for key strategic projects which generally have long term outcomes for the development of the Shire. These projects often involve partnerships with other tiers of government and are often supported by external funding.
Saleyards	This service area refers to the Euroa Saleyards. The saleyards operate on an approximately one sale per month basis.

SERVICE PERFORMANCE INDICATORS

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

	Results			
Service/Indicator/Measure	2015	2016	2017	Comments
Statutory Planning				
Timeliness Time taken to decide planning applications [The median number of days between receipt of a planning application and a decision on the application]	58	39	39	No material variations
Service Standard Planning applications decided within required time frames [Number of planning application decisions made within 60 days / Number of planning application decisions made] x 100	72%	89%	96.89%	From 1 July 2016 this indicator will be updated to include VicSmart planning applications which should be assessed within 10 days. This may result in some variances year on year.
Service Cost Cost of Statutory planning service [Direct cost of the statutory planning service/ Number of planning applications received]	\$3,133.15	\$2,301.12	\$2,002.17	Some cost reallocation to better reflect service



STRATEGIC OBJECTIVE 5: Industry, Business & Investment

Service/Indicator/Measure	Results			Comments
	2015	2016	2017	
Statutory Planning continued				
Decision Making Council planning decisions upheld at VCAT [Number of VCAT decisions that upheld Council's decision in relation to a planning application / Number of decisions in relation to planning applications subject to review by VCAT] x 100	0%	33.33%	0%	In 2016-17 one appeal was lodged with Council decision set aside.



- Mitchelton Winery, one of the many sites and attractions on offer in Strathbogie Shire



STRATEGIC OBJECTIVE 6: Infrastructure

STRATEGIC INDICATORS

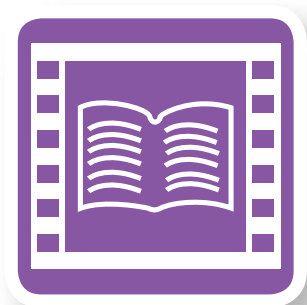
The following statement reviews the performance of Council against the Council Plan including results achieved in relation to the strategic indicators included in the Council Plan.

Strategic Indicator / Measure	Result	Comments
Provide industry standard facilities		
Investigate options for the long term sustainability of the Euroa Saleyards including funding models and major Capital Works Programs	85%	Stage two of the Euroa Saleyards redevelopment was completed in April 2017. The Saleyards Committee continue to consider future projects.
Investigate funding options to redevelop the Brock Street toilets, including accessible toilets	75%	Partnership funding has been secured and quotations for the toilet block received. Council is project managing a combined Memorial Service Park/toilet block/car parking upgrade project.
Support history and cultural monuments		
Update the long term Master Plan for the Euroa RSL and Third Age Club precinct	0%	Current Master Plan to be reviewed in 2017. Meeting with RSL to be arranged for early 2018.
Deliver Council's bridge replacement in line with industry best practice		
Investigate and consult in relation to providing a link bridge from the Friendlies Reserve to Memorial Oval over the Seven Creeks	50%	Preliminary design completed. Progress dependent upon determination of Rockies Bridge proposal. Survey and design funded in 2016-17 capital works program.
Investigate the upgrading of short life bridges to long life bridges	50%	The 2016-17 capital works program provided for a number of bridge upgrades which will increase the life of the bridges. Major works included the replacement of Cullens Road Bridge in January 2017 and the replacement of one abutment on Nelsons Road Bridge in June 2017. Additional works are underway to remove load limits on eight other bridges and a further four bridges will have existing concrete decks strengthened.

STRATEGIC OBJECTIVE 6: Infrastructure

Strategic Indicator / Measure	Result	Comments
Provide passive and active recreational facilities and paths/tracks		
Implement priorities for the Walking Tracks and Trails strategy	10%	Avenel: Livingstone Street pathway Stage two funded for construction in 2016-17. Works completed. Euroa: Arboretum link pathway funding application submitted to VicRoads.
Investigate options to develop an additional sport and recreation precinct in the northern section of Nagambie	0%	Identify opportunity as development of private land proceeds.
Subject to funding, extend landing in front of Rowing Club around to staged area at Buckley Park and back to walking bridge at boat ramp area	100%	Extension of landing brought to practical completion.
Seek funding for stage two of Avenel Recreation Reserve upgrade	100%	Funding has been confirmed for stage two which includes the second netball court, realigned/new cricket nets and stage one of the skate park. The Committee of Management and user groups have agreed to this program.
Seek and secure funding to complete the Livingstone Street walking track between Mitchell Street and Jubilee Crescent, Avenel	50%	Funding secured in Council's 2016-17 Budget. Design and construction work completed. VicRoads assistance to be requested to potentially complete the project in 2017-18.
Support the actions as adopted in the Nagambie Lakes Waterways Strategy	100%	The strategy has been adopted and will be reviewed by Council. The waterways committee meets regularly. A focus on enforcement is underway to improve access and enjoyment of users and improve safety.

Strategic Indicator / Measure	Result	Comments
Provide passive and active recreational facilities and paths/tracks <i>continued</i>		
Consider joint implementation of priority projects from Violet Town Action Group Community Plan and Violet Town Recreation Reserve Master Plan	75%	Joint implementation of projects are being considered. The Community Development Strategy has been adopted. Support for the action groups and community groups is provided by Council officers with planning and funding for a range of projects. The Violet Town Action Group workshop has been scheduled which will provide guidance to and from the Action Group for the future of community planning.
Seek funding for stage one of the Friendlies Recreation Oval upgrade	50%	Expressions of interest for the stage one Funding Application closed on the 7 June 2017. Awaiting advice from State Government as to whether it will progress to a full funding application which is due the 11 September 2017.
Seek and support funding for Violet Town playground development at the Violet Town Recreation Reserve	100%	The funding has been re-allocated to a new toilet block at the Recreation Reserve by mutual agreement between the Action Group and Council.



STRATEGIC OBJECTIVE 6: Infrastructure

Strategic Indicator / Measure	Result	Comments
Provide best practice asset management		
Advocate for a pedestrian crossing at the railway gates on Birkett Street, Euroa	75%	State Government funding secured. Design work completed and awaiting final approval.
Investigate and introduce angle parking in Nagambie Main Street	95%	<p>Community consultation and regular discussion with the Parking Working Group has been undertaken.</p> <p>Council endorsed a two-stage program for the Nagambie Parking Project in April 2017. Stage one will introduce angle parking in front of the commercial precinct of High Street following confirmation of VicRoads approval.</p> <p>Stage two is the area in front of Jacobson's Outlook and has been deferred until 31 October 2017 and the Working Group has been further consulted and provided with feedback as to the successful or otherwise transition of parking changes.</p>
Continue to design and seek funding for town drainage/ sewerage schemes	75%	<p>Mansfield Road Euroa drainage project under construction, jointly funded by VicRoads.</p> <p>Campbell Street Euroa design work underway with potential for special charge scheme funding.</p> <p>Design underway for the Nagambie industrial estate proposed evaporation pond project, with potential for cost sharing with adjoining developer.</p>
Investigate the expansion of additional street lights in the Shire	100%	Requests for additional lighting investigated and referred to budget if needed.

Strategic Indicator / Measure	Result	Comments
Provide best practice asset management continued		
Advocate to VicRoads/VicTrack and the Australian Rail Track Corporation (ARTC) for the creation of a roundabout resulting in a safer intersection at Queen Street/Bank Street, Avenel railway crossing	75%	Project included in the regional strategic roads priority list.
Investigate funding for upgraded Mullers Road, Nagambie	75%	The project was included for consideration for funding as a Regional Development Tourism Infrastructure project.
Investigate options, in consultation with the community for footpaths, kerb and channelling and parking at the east end of Bank Street, Avenel	10%	Investigation and consultation is ongoing.
Continue to advocate to VicRoads for the construction of an interchange on the Hume Freeway at the Service Centre crossing Avenel	75%	VicRoads has been requested to advance the project as a priority or alternatively consider a localised reduced speed zone. Awaiting VicRoads response.
Design and investigate funding options for kerb/channelling and widening the road surface opposite Euroa Secondary College	20%	Funding application submitted to VicRoads for 50% contribution. Preliminary design drawings completed. Funded in 2016-17 capital works program with special Charge Scheme to be implemented.



STRATEGIC OBJECTIVE 6: Infrastructure

Strategic Indicator / Measure	Result	Comments
Provide best practice asset management <i>continued</i>		
In line with the Nagambie Growth Management Plan, commence community consultation and seek funding for the northern roundabout in High Street Nagambie	75%	Investigation and design is listed for consideration in the draft 17-18 capital program.
Conduct community consultation in relation to traffic management design options at the corner of Binney Street and Railway Street Euroa	75%	Following abandonment of the roundabout proposal, design work is being undertaken to address a splitter island width deficiency, as identified in the road safety audit.

The following statement reviews the progress of Council in relation to major initiatives identified in the 2016-17 Budget for the year.

Major Initiatives	Progress
\$2.62 million committed to the rehabilitation and renewal of bridges	<p>The Cullens Road Bridge replacement was undertaken in January 2017.</p> <p>The replacement of one abutment on Nelsons Road Bridge was undertaken in June 2017.</p> <p>Additional works are underway to remove load limits on eight other bridges and a further four bridges will have existing concrete decks strengthened.</p>
\$3 million committed to the rehabilitation, resealing and re-sheeting of roads	<p>The maintenance of Council's road network saw 30km of sealing works and 38km of road renewal works undertaken throughout the Shire.</p> <p>Other significant works included a \$1,061,000 pavement rehabilitation program and \$550,000 on strengthening and sealing of gravel shoulders on sealed roads.</p>

SERVICES

The following statement provides information in relation to the services funded in the 2016-17 Budget and the persons or sections of the community who are provided the service.

Service	Description
Municipal Buildings	This service area is responsible for the maintenance of Council owned and controlled buildings.
Swimming Pools and Beaches	Council operates outdoor pools in Euroa, Nagambie, Violet Town and Avenel.
Roads and Bridge Maintenance Operations	This service area is responsible for the maintenance of Council's roads and bridges network.



- Violet Town Swimming Pool

STRATEGIC OBJECTIVE 6: Infrastructure

SERVICE PERFORMANCE INDICATORS

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

	Results			
Service/Indicator/Measure	2015	2016	2017	Comments
Aquatic Facilities				
Service Standard Health inspections of aquatic facilities [Number of authorised officer inspections of Council aquatic facilities/ Number of Council aquatic facilities]	0.25	0	1	Inspections of all facilities occurred in 2016-17. These were not completed in 2015-16.
Health and Safety Reportable safety incidents at aquatic facilities [Number of Worksafe reportable aquatic facility safety incidents]	0	0	0	No material variations
Service Cost Cost of outdoor aquatic facilities [Direct cost of outdoor aquatic facilities less income received/ Number of visits to outdoor aquatic facilities]	\$9.67	\$9.10	\$10.18	Promotion of pools in 2015-16 saw an increase in numbers that year which reverted to a lower level in 2016-17. Weather may also have been a factor.
Utilisation Utilisation of aquatic facilities [Number of visits to pool facilities / Municipal population]	3.31	4.41	3.75	Increased publicity about pools due to Council consideration of future options saw an increase in usage in 2015-16, which reduced in 2016-17. Attendances are also weather dependent.

	Results			
Service/Indicator/Measure	2015	2016	2017	Comments
Roads				
Satisfaction of use Sealed local road requests [Number of sealed local road requests/ kilometres of sealed local roads] x 100	9.50	10.84	20.61	Requests up from 81 to 154
Condition Sealed local road below the intervention level [Number of kilometres of sealed roads below the renewal intervention level set by Council / Kilometres of sealed local roads] x 100	99.60%	99.79%	99.79%	No material variations
Service Cost Cost of sealed local road reconstruction [Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]	\$13.07	\$14.58	\$44.37	In 2015-16 Council benefited from external funding meaning a greater volume of work was available and reduced unit rates achieved. In 2016-17 less funding was available and the scope of works increased to include drainage etc which increased unit rates



STRATEGIC OBJECTIVE 6: Infrastructure

Service/Indicator/Measure	Results			Comments
	2015	2016	2017	
Roads continued				
Service Cost Cost of sealed local road resealing <i>[Direct cost of sealed local road resealing/ Square metres of sealed local roads resealed]</i>	\$3.45	\$3.19	\$2.94	No material variations
Satisfaction Satisfaction with sealed local roads <i>[Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads]</i>	43	44	43	No material variations





STRATEGIC OBJECTIVE 7: Tourism And Hospitality

STRATEGIC INDICATORS

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	Comments
Ensure there is consistent branding and marketing of the Shire		
Work with Goulburn River Valley Tourism (GRVT) to advocate to relevant State Government departments for extra tourism funding	100%	As a member of Goulburn River Valley Tourism (GRVT) Strathbogie Shire Council is active in this space. Strathbogie is also represented on the GRVT board through its representative Director. The Minister for Tourism and Major Events John Eren was hosted in the Shire providing a valuable opportunity to network with and lobby the State Government. GRVT also work with the Visitor Information Centres within the region to assist in promoting the region and recently hosted the annual Visitor Information Centre Summit featuring 'Taste of the Region'.
Ensure the successful implementation of the Tourism Strategies in the Economic Development Master Plan	75%	This work is ongoing and is entering its fourth year of implementation. Strathbogie Shire Council continues to implement the activities, strategies and actions detailed in the plan.
Upgrade town information on relevant technology	5%	Work is currently underway to develop a strategy to achieve this upgrade.
Work with Goulburn River Valley Tourism (GRVT) to develop a Military Trail	100%	Euroa VC has been recognised in the 100 Places in the 100 Years app for Military Trail. Further development on a localised level has been discussed however will be heavily dependent upon potential funding.

STRATEGIC OBJECTIVE 7: Tourism And Hospitality

The following statement reviews the progress of Council in relation to major initiatives identified in the 2016-17 Budget for the year.

Major Initiatives	Progress
Work with a number of industries and groups to promote and attract tourism.	Commenced Expressions of Interest for Tourism, Arts and Culture Advisory Group members.
Work closely with the boating, equine, viticulture, cycling and tourism industries to develop new events to complement existing established events.	The Nagambie Lakes Regatta Centre hosted the Australian Masters Rowing Regatta in May attracting 15,000 participants and spectators.

SERVICES

The following statement provides information in relation to the services funded in the 2016-17 Budget and the persons or sections of the community who are provided the service.

Service	Description
Boating Operations and Safety	Council is the boating authority for Nagambie Lakes. This service area provides patrol services, maintenance of boating infrastructure and support for on-water recreational activities.
Tourism	Strathbogie Shire has a high tourism profile with broad ranging attractions including, natural environment, water based activities, wineries events and festivals. This service area is responsible for promoting the area generally and supporting local tourism bodies and tourism related events.



Service	Description
Nagambie Lakes Regatta Centre Precinct	The Nagambie Lakes Regatta Centre is a major national rowing complex which conducts many high profile State and National Championships. This service area provides support for the attraction, promotion and management of rowing and other water based events at the Regatta Centre.
Events	This service area provides support for the planning, promotion and management of community based events.
Caravan Parks	Council has control of caravan parks at Nagambie Lakes and Euroa.

SERVICE PERFORMANCE INDICATORS

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

Service/Indicator/Measure	Results			Comments
	2015	2016	2017	
None				





- *The Friendlies' Oval committee and Shire Councillors discussing improvement projects*

Governance, Management AND Other Information



Governance

The Strathbogie Shire Council is constituted under the Act 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 Special Committees of Council.

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

MEETINGS OF COUNCIL

Council conducts open public meetings on the third Tuesday of each month. Members of the community are welcome to attend these meetings and observe from the gallery. Council Meetings also provide the opportunity for community members to submit a question to the Council, make a submission or speak to an item.

For the 2016-17 year Council held the following meetings:

- 10 Ordinary Council Meetings
- 9 Special Council Meetings
- 11 Planning Committee Meetings.

The following tables provide a summary of Councillor attendance at Council Meetings and Special Council Meetings for the 2016-17 financial year.

1 July 2016-30 September 2016 – Outgoing Councillors

Councillor	Ordinary Council	Special Council Meeting	Planning Committee Meeting	Total
Cr Colleen Furlanetto (Mayor)	3	2	2	7
Cr Malcolm Little	3	2	4	9
Cr Alister Purbrick	3	2	2	7
Cr Pat Storer	3	2	2	7
Cr Debra Swan	3	1	4	8
Cr Robin Weatherald	3	2	4	9
Cr Graeme Williams	3	2	4	9

15 November - 30 June 2017 – Incoming Councillors

Councillor	Ordinary Council	Special Council Meeting	Planning Committee Meeting	Total
Cr Amanda McClaren (Mayor)	6	7	6	19
Cr Malcolm Little	7	7	7	21
Cr John Mason	7	7	7	21
Cr Kate Stothers	6	4	5	15
Cr Debra Swan	6	7	6	19
Cr Alistair Thomson	7	6	6	19
Cr Graeme Williams	6	6	7	19

Governance

SPECIAL COMMITTEES

The Act allows Councils to establish one or more special committee consisting of:

Councillors

Council Staff

Other Persons

Any combination of the above.

The following table contains a list of all special committees and advisory groups established by Council that are in operation and the purpose for which each committee was established.

Special Committee	No of meetings	Purpose
Audit Committee	4	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
Planning Committee	11	To delegate planning powers to a committee of Councillors who will have voting rights and meet fortnightly to consider planning applications normally referred to General Council. Urgent permit applications may be considered by General Council if a meeting is held before the fortnightly Planning Committee Meeting
Nagambie Waterways Recreational & Commercial Stakeholders Advisory Committee	6	Appointed to set policy and direction for the Nagambie waterways recreational and commercial users, to ensure that the activities on the Nagambie waterways meet the objectives and the vision of Council as set out in the Council Plan

Special Committee	No of meetings	Purpose
Sustainable Development Reference Group	6	<p>Appointed to provide feedback and advice to Council on the following objectives:</p> <ul style="list-style-type: none"> • Providing for the fair, orderly, economic and sustainable use and development of public land • Protecting natural resources and maintaining the ecological processes and genetic diversity • Securing safe and liveable urban and rural environments • Conserving and enhancing culturally or socially significant buildings or areas • Facilitating sustainable development • Balancing the present and future interests of all Shire residents and visitors
Community Pools Working Group	7	<p>Appointed to facilitate the development of a Shire-wide pools strategy. This strategy will look at pools in the Strathbogie Shire holistically and provide for their planning and development now and into the future</p>



Governance

CODE OF CONDUCT

The Act requires Councils to develop and approve a Councillor Code of Conduct within 12 months after each general election. On 21 February 2017, Council adopted a revised Councillor Code of Conduct which is designed to:

assist Councillors to maintain the highest standards of conduct and behaviour as well as provide a means to deal with problems they may encounter

attract the highest level of confidence from Council's stakeholders

assist the Mayor and Councillors to discharge the responsibilities of their public office appropriately.

In addition to setting out the Councillor Conduct Principles, the Code also outlines:

other conduct definitions under the Act, such as those relating to misuse of position, improper direction, breach of confidentiality and conflict of interest

roles and relationships

dispute resolution procedures.

CONFLICT OF INTEREST

Councillors are elected by the residents and ratepayers to act in the best interests of the community. This is a position of trust that requires Councillors to act in the public interest. When a Council delegates its powers to a Council officer or a committee, the committee or officer also needs to act in the public interest.

A conflict of interest occurs when a personal or private interest might compromise the ability to act in the public interest. A conflict of interest exists even if no improper act results from it. Council has a comprehensive procedure in place to accommodate the disclosure of a conflict of interest. Declaration of a conflict of interest is a standard agenda item for all Council and Special Committee Meetings.

CONFLICT OF INTEREST *continued*

While the procedures vary depending on the particular role and circumstances, in general they involve disclosing the relevant interests in a specific way and then stepping aside from the relevant decision-making process or from the exercise of the public duty. A register is maintained to record all disclosed conflict of interests.

During 2016-17, six conflicts of interest were declared at Council and Special Committee Meetings (this includes interest only declarations).

COUNCILLOR ALLOWANCES

In accordance with Section 74 of the Act, Councillors are entitled to receive an allowance while performing their duty as a Councillor. The Mayor is also entitled to receive a higher allowance.

The State Government sets the upper and lower limits for all allowances paid to Councillors and Mayors. Councils are divided into three categories based on the income and population of each Council. In this instance Strathbogie Shire Council is recognised as a category one Council.

Details of Councillor allowances are detailed in the table on the following page.



- Nagambie Waterways

Governance

COUNCILLOR EXPENSES

In accordance with Section 75 of the Act, Council is required to reimburse a Councillor for expenses incurred whilst performing his or her duties as a Councillor. Council is also required to adopt and maintain a policy in relation to the reimbursement of expenses for Councillors. The policy provides guidance for the payment of reimbursements of expenses and the provision of resources, facilities and other support to the Mayor and Councillors to enable them to discharge their duties. Council also publishes in its Annual Report the details of the expenses, including reimbursement of expenses for each Councillor and member of a council committee paid by Council.

The following table contains a summary of the allowances paid to each Councillor and expenses during the 2016-17 financial year (this table includes both outgoing and incoming Councillors).

Councillors	Allowance \$	Total Expenses \$	Total Payments \$
Cr Alistair Thomson	13,552.03	0	13,552.03
Cr Alister Purbrick	6,570.92	0	6,570.92
Cr Amanda McClaren	39,721.91	166.76	39,888.67
Cr Colleen Furlanetto	14,627.41	1,378.22	16,005.63
Cr Debra Swan	20,122.95	4,779.20	24,902.15
Cr Graeme Williams	20,122.95	1,384.42	21,507.37
Cr John Mason	13,552.03	139.68	13,691.71
Cr Kate Stothers	13,552.03	0	13,552.03
Cr Malcolm Little	20,122.95	6,493.50	26,616.45
Cr Patrick Storer	6,570.92	0	6,570.92
Cr Robin Weatherald	6,570.92	285.99	6,856.91

Management

Council has implemented a number of statutory and better practice items to strengthen its management framework. Having strong governance and management frameworks leads to better decision making by Council. The Act requires Council to undertake an assessment against the prescribed governance and management checklist and include this in its Report of Operations. Council's Governance and Management Checklist results are set out in the section below. The following items have been highlighted as important components of the management framework.

AUDIT COMMITTEE

The Audit Committee's role is to oversee and monitor the effectiveness of Council in carrying out its responsibilities for accountable financial management, good corporate governance, maintaining an effective system of internal control and risk management and fostering an ethical environment. The Audit Committee consists of three independent members, John McInnes (retired December 2016), Claire Taranto, Robert Gardner with Councillor Graeme Williams Council's representative up until December 2016. In December 2016 Alister Purbrick was appointed to the Committee and Councillor Alistair Thomson became the Council representative. Independent members are appointed for a three-year term. The Chair is elected from amongst the independent members.

The Audit Committee meets four times a year. The Internal Auditor, Chief Executive Officer, Deputy Chief Executive Officer, Director Corporate and Liveability, Director of Asset Services and the Financial Accountant attend all Audit Committee Meetings. Other management representatives attend as required to present reports.

The External Auditors attend in May and September each year to present the Audit Plan and Independent Audit Report. Recommendations from each Audit Committee Meeting are subsequently reported to, and considered by Council.

Management

INTERNAL AUDIT

Council's internal audit function provides independent and objective assurance that the appropriate processes and controls are in place across Council. The department is resourced by an external provider. A risk based three-year Strategic Internal Audit Plan (SIAP) is revised annually to ensure the audit resources remain focused on the appropriate areas. The review process considers Council's risk framework, the Council Plan, the impact of any change on operations, systems or the business environment, prior audit coverage and outcomes and management input.

The SIAP is reviewed and approved by the Audit Committee annually.

The responsible Director for each area reviewed is required to attend the Audit Committee Meeting to respond to questions in relation to the review. All audit issues identified are risk rated. Recommendations are assigned to the responsible Director and tracked in Council's electronic data management system. Directors provide status updates that are reviewed by the Internal Auditor and reported to the Executive Management Team and the Audit Committee.

The SIAP for 2016-17 was completed with the following reviews conducted:

Asset Management

Information Management

Business Continuity and Disaster Recovery

Risk Management – continuing

EXTERNAL AUDIT

Council is externally audited by the Victorian Auditor-General. For the 2016-17 year the annual external audit of Council's Financial Statements and Performance Statement was conducted by the Victorian Auditor-General's representative. The External Auditors attend the May and September Audit Committee Meetings to present the annual Audit Plan and Independent Audit Report. The external audit management letter and responses are also provided to the Audit Committee.

RISK MANAGEMENT

In December 2015, Council adopted the Risk Management Policy and Framework in line with current best practice in the management of business enterprise risks and current AS/NZS 31000 guidelines.

This policy applies to all areas of Council operations and includes Council, Councillors, Council staff, contractors and volunteers undertaking any function for or on behalf of Council.

Council continues and reinforces its commitment to the management of risk to reduce the impact of risk on achieving Council's objectives, minimising any interruption to its business and confidently pursuing opportunities that are identified.

Council endeavours to manage its risk by:

ensuring that it has good risk governance and processes applying to the management of risk

ensuring that resources for risk management systems and processes, appropriate for the Strathbogie Shire context and its operations, are provided and in place

ensuring that proper risk consideration is incorporated into all Council planning and business processes so that decisions can be informed by identifying risks that may impact on achieving Council objectives and applying measures or strategies to minimise such impacts

ensuring that there is appropriate training and information available to Councillors, Council staff, contractors and volunteers so that there is risk awareness across the whole organisation

as far as practicable, providing safe facilities, plant and equipment and processes to facilitate a safe environment.



- Strathbogie Shire staff, pool maintenance, Euroa
- Shire Pool Survey, eager participants

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	Community Engagement policy (policy outlining Council's commitment to engaging with the community on matters of public interest)	No Policy Draft presented to new Council. To be finalised 2017-18
2	Community Engagement Guidelines (guidelines to assist staff to determine when and how to engage with the community)	Adopted 12 August 2014
3	Strategic Resource Plan (plan under section 126 if the Act outlining the financial and non-financial resources required for at least the next 4 financial years)	Adopted in accordance with section 126 of the Act Date adopted 27 June 2017
4	Annual Budget (plan under section 130 of the Act setting out the services to be provided and initiatives to be undertaken over the next 12 months and the funding and other resources required)	Adopted in accordance with section 130 of the Act Date adopted 27 June 2017
5	Asset management plans (plans that set out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)	Plan Date of operation of current plans: General overarching 28 October 2016 Transport 21 October 2016 Bridges 16 March 2015 Water (drainage) 16 December 2016 Land 26 January 2013 Buildings 16 September 2016 Open space 9 January 2013 Plant and Equipment 27 November 2012 Cultural and Heritage 27 November 2012

Governance and Management Checklist

	Governance and Management Items	Assessment
6	Rating Strategy (strategy setting out the rating structure of Council to levy rates and charges)	Strategy Adopted with Budget: 27 June 2017
7	Risk Policy (policy outlining Council's commitment and approach to minimising the risks to Council's operations)	Policy Date of operation of the current policy: 15 December 2015
8	Fraud Policy (policy outlining Council's commitment and approach to minimising the risk of fraud)	Policy Date of operation of the current policy: 16 June 2015
9	Municipal Emergency Management Plan (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: 15 December 2015
10	Procurement Policy (policy under section 186A of the Local Government Act 1989 outlining the matters, practices and procedures that will apply to all purchases of goods, services and works)	Prepared and approved in accordance with Section 186A of the Local Government Act 1989 Date of approval: 20 June 2017
11	Business Continuity Plan (plan setting out the actions that will be undertaken to ensure that key services continue to operate in the event of a disaster)	No Plan Draft completed. To be presented for adoption 2017-2018
12	Disaster Recovery Plan (plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster)	Plan Date of approval: 24 May 2017

	Governance and Management Items	Assessment
13	Risk Management Framework (framework outlining Council's approach to managing risks to the Council's operations)	Framework Date of operation of current framework: 15 December 2015
14	Audit Committee (advisory committee of Council under section 139 of the Act whose role is to oversee the integrity of a Council's financial reporting, processes to manage risks to the Council's operations and for compliance with applicable legal, ethical and regulatory requirements)	Established in accordance with section 139 of the Local Government Act Date of establishment: 20 November 2001
15	Internal Audit (independent accounting professionals engaged by the Council to provide analyses and recommendations aimed at improving Council's governance, risk and management controls)	Engaged. Date of engagement of current provider: 17 April 2012
16	Performance Reporting Framework (a set of indicators measuring financial and non-financial performance including the performance indicators referred to in section 131 of the Act)	Framework Date of operation of current framework: 1 July 2015
17	Council Plan Reporting (report reviewing the performance of the Council against the Council Plan, including the results in relation to the strategic indicators for the first six months of the financial year)	Produced quarterly for Council Dates presented to Council: 19/7/2016, 22/11/2016, 21/2/2017 & 18/4/2017
18	Financial Reporting (quarterly statements to Council under section 138 of the Act comparing budgeted revenue and expenditure with actual revenue and expenditure)	Statements presented to Council in accordance with section 138(1) of the Act Dates statements presented: 22/11/2016, 20/12/2016, 21/2/2017, 21/3/2017, 18/4/2017, 16/5/2017, 20/6/2017

Governance and Management Checklist

	Governance and Management Items	Assessment
19	Risk Reporting (six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies)	Reports Date of reports: 22/11/16, 18/4/17
20	Performance Reporting (six-monthly reports of indicators measuring the results against financial and non-financial performance, including performance indicators referred to in section 131 of the Act)	Reports Business Management System reported to Council monthly
21	Annual Report (Annual Report under sections 131, 132 and 133 of the Act to the community containing a report of operations and audited financial performance statements)	Considered at a meeting of Council in accordance with section 134 of the Local Government Act Date statements presented 19 September 2016
22	Councillor Code of Conduct (Code under section 76C of the Act setting out the conduct principles and the dispute resolution processes to be followed by Councillors)	code of conduct reviewed in accordance with section 76C of the Act Date adopted: 21/02/2017
23	Delegations (a document setting out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff)	Delegations reviewed in accordance with section 98(6) of the Act Date of review: 16/8/2016, 22/11/2016, 24/1/2017, 21/2/2017
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 and adopted by Council 16/12/2014

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



Steve Crawcour
Chief Executive Officer
Dated 19 September 2017



Cr Amanda McClaren
Mayor
Dated 19 September 2017





MANAGING STRATHBOGIE'S WASTE STREAMS

Strathbogrie Shire Council's commitment to protecting and enhancing the environment for current and future generations has been achieved through a range of measures.

This emphasis on protecting the environment reflects community expectation and recognises legislative requirements in the management of waste and resource recovery.

A continued focus on educating the community on opportunities for sustainable practices in the home and workplace, while also building awareness on how households can do their bit to help reduce what is sent to landfill, has resulted in significant environmental benefits.

One example of this is the introduction of a third kerbside bin, introduced two years ago and its success in diverting organic waste from landfill, with 1315 tonnes of organic material collected and processed into compost in 2016-17. An emphasis on community education has led to a reduction in organics contamination rates, a noteworthy achievement which required a shift in behaviour and increased awareness at the community level.



Strathbogie Shire Council was recently selected as one of three councils within the Goulburn Valley region to produce a video for Sustainability Victoria, highlighting the introduction of our kerbside organics collection service. The videos are being used by Sustainability Victoria as a tool to assist other Victorian Councils who may be considering introducing a three bin collection system.

In the 2016-17 financial year 1056 tonnes of recyclable material was collected from kerbside collections and diverted from landfill. On top of this an additional 325 tonnes of household materials was collected for recycling directly through our Waste Transfer Stations / Resource Recovery Centres and 1091 tonnes of other recoverable items such as greenwaste, scrap metal, waste oil, mattresses, tyres, electronic waste, drumMuster containers were collected for recycling.

GOOD NEWS

The completion of upgrade works in 2016-17 at Euroa, Nagambie and Avenel Waste Transfer Station / Resource Recovery Centres will significantly improve site operation and the amenity of these facilities.

These works were completed with assistance from grant funding from Sustainability Victoria and included:

construction of concrete hardstand areas for storage of recoverable items,

construction of concrete compounds for scrap metals,

construction of concrete, bunded floors and roof coverings for waste oil collection tanks at Nagambie and Euroa

construction of an additional tipping bay at Euroa.



Statutory information

The following information is provided in accordance with legislative and other requirements applying to Council.

DOCUMENTS AVAILABLE FOR PUBLIC INSPECTION

In accordance with the regulation 12 of the *Local Government (General) Regulations 2015* the following are prescribed documents that are available for inspection or copies of the documents can be obtained for the purposes of section 222 of the Act at 109a Binney Street, Euroa:

A document containing details of overseas or interstate travel (other than interstate travel by land for less than three days) undertaken in an official capacity by a Councillor or any member of Council staff in the previous 12 months, including –

- (i) the name of the Councillor or member of Council staff
- (ii) the dates on which the travel began and ended
- (iii) the destination of the travel
- (iv) the purpose of the travel
- (v) the total cost to the Council of the travel, including accommodation costs
 - The agenda for, and minutes of Ordinary and Special Meetings held in the previous 12 months which are kept under section 93 of the Act, other than those agendas and minutes relating to a part of a meeting which was closed to members of the public under section 89 of the Act and are confidential information within the meaning of section 77(2) of the Act
 - The minutes of meetings of special committees established under section 86 of the Act and held in the previous 12 months, other than those minutes relating to a part of a meeting which was closed to members of the public under section 89 of the Act and are confidential information within the meaning of section 77(2) of the Act
 - A register of delegations kept under sections 87(1) and 98(4) of the Act, including the date on which the last review took place under sections 86(6) and 98(6), respectively, of the Act

(v) *the total cost to the Council of the travel, including accommodation costs continued*

- A document containing details of all leases involving land which were entered into by the Council as lessor, including the lessee and the terms and the value of the lease
- A register maintained under section 224(1A) of the Act of authorised officers appointed under that section
- A list of donations and grants made by the Council in the previous 12 months, including the names of persons who, or bodies which, have received a donation or grant and the amount of each donation or grant.

BEST VALUE

As required by the Act, Strathbogie Shire Council complies with the prescribed Best Value Principles as part of its day to day operations in providing services to the community. These principles are:

- (i) all services provided by a Council must meet quality and cost standards
- (ii) all services provided by a Council must be responsive to the needs of the community
- (iii) each service provided by a Council must be accessible to those members of the community for whom the service is intended
- (iv) a Council must achieve continuous improvement in its provision of services for its community
- (v) a Council must develop a program of regular consultation with its community in relation to the services it provides
- (vi) a Council must report regularly to its community on its achievements in relation to the Best Value Principles.

Statutory information

In applying the Best Value Principles, a Council may take into account (in accordance with 208C), among other factors:

- (i) the need to review services against the best on offer in both the public and private sectors
- (ii) an assessment of value for money in service delivery
- (iii) community expectations and values
- (iv) the balance of affordability and accessibility of services to the community
- (v) opportunities for local employment growth or retention
- (vi) the value of potential partnerships with other Councils and State and the Commonwealth Governments
- (vii) potential environmental advantages for the Council's municipal district

Council incorporates Best Value Principles through regular business planning and performance monitoring together with its focus on continuous improvement. Involvement in the Shared Services Project, which is aimed at reducing operating expenditure and improving efficiencies and Strathbogie's integrated approach to service planning further highlights Council's commitment to achieving best value.



- Strathbogie Shire Council made a financial contribution to the fit-out of the Granite Hills Aged Care development



CONTRACTS

During the year Council did not enter into any contracts valued at \$150,000 or more for services or \$200,000 or more for works or more of a kind specified in section 186(5)(a) and (c) of the Act. It also did not enter into any other contracts valued at \$150,000 or more for goods or services or \$200,000 or more for works without engaging in a competitive process.

DISABILITY ACTION PLAN

In accordance with section 38 of the *Disability Act 2006*, as Council has prepared a Disability Action Plan it must report on the implementation of this Plan in its Annual Report. Council has prepared a Disability Action Plan through its Inclusive Communities Plan 2015-2018.

The Plan aims to implement changes that:

- (i) support people with a disability to achieve the outcomes they want
- (ii) safeguard the rights of people with a disability, their family and carers
- (iii) improve access to Council services for all residents
- (iv) inform Council practice so it can be improved
- (v) support compliance with legislative requirements.

By addressing these areas through strategic planning, policy making and partnerships, Strathbogie strives to build stronger, healthier and more inclusive communities into the future.

Actions attached to the Plan are framed by five key factors which uphold the vision of a strong, healthy and accessible community. These factors are:

- (i) accessible and inclusive spaces and places
- (ii) accessible and inclusive neighbourhoods
- (iii) accessible and inclusive lifestyle choices
- (iv) accessible and inclusive services and supports
- (v) accessible and inclusive economies.

Statutory information

DOMESTIC ANIMAL MANAGEMENT PLAN

Council adopted the Domestic Animal Management Plan 2012-16 in October 2013, with the current Domestic Animal Management Plan 2017-21 adopted by Council in July 2017. The Plan was developed in accordance with Part 5A of the *Domestic Animals Act 1994*.

The purpose of the Plan is to guide Council's planning and decision-making in relation to regulatory controls and service provision that promote the value of responsible pet ownership and high standards of animal welfare.

Key actions and outcomes detailed in the plan for the 2016-17 financial year are captured below:

2016-17

No. of registered dogs	1,943
No. of registered cats	382
No. of reports of domestic animals at large	155
No. of impounded animals returned to owners	34
No. of reported dog attacks	18
No. of declared menacing dogs	3
No. of animals rehomed	12

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 2016-17 financial year.

FREEDOM OF INFORMATION

In accordance with section 7(4AA)(a) and 7(4AA)(b) of the *Freedom of Information Act 1982*, Council is required to publish certain statements in their Annual Report or separately such as on its website, concerning its functions and information available. Council has chosen to publish the statements separately however provides the following summary of the application and operation of the *Freedom of Information Act 1982*.

Access to documents may be obtained through written request to the Freedom of Information Officer, as detailed in section 17 of the *Freedom of Information Act 1982* and in summary as follows:

it should be in writing

it should identify as clearly as possible which document is being requested

it should be accompanied by the appropriate application fee (the fee may be waived in certain circumstances).

Requests for documents in the possession of Council should be addressed to the Freedom of Information Officer. Requests can also be lodged online or by email.

Access charges may also apply once documents have been processed and a decision on access is made (e.g. photocopying and search and retrieval charges).

Further information regarding freedom of information requests can be found at - www.foi.vic.gov.au and on the Strathbogie Shire Council website at - www.strathbogie.vic.gov.au

Statutory information

PROTECTED DISCLOSURE PROCEDURES

The *Protected Disclosure Act 2012* aims to ensure openness and accountability in government by encouraging people to disclose improper conduct within the public sector and provide protection for people who make disclosures.

Strathbogie Shire Council supports a workplace culture where the making of protected disclosures is valued by the organisation. Council recognises the value of transparency and accountability in its administrative and management practices and supports the making of disclosures that reveal improper conduct. The organisation is committed to the aims and objectives of the *Protected Disclosure Act 2012* and does not tolerate improper conduct by Councillors, Council officers or employees.

Strathbogie Shire's Protected Disclosure Policy provides for the receipt and effective management of information relating to a Councillor, Council officer or employee engaging in improper conduct and ensures effective processes are in place to support people who have made protected disclosure. This policy, takes all steps to ensure confidentiality for the content of disclosure and identity of the complainant.

An Appointed Protected Disclosure Officer acts as a primary contact point for general advice about the operation of the Act for any person wishing to make a disclosure. The Protected Disclosure Officer is available to receive disclosures made internally within Strathbogie or from external sources.

Procedures on how to make a disclosure are publicly available on Council's website at - www.strathbogie.vic.gov.au/council/plans-policies-strategies-a-reports/corporate

During the 2016-17 year no disclosures were notified to the Protected Disclosure Officer appointed to receive disclosures, or to IBAC.

ROAD MANAGEMENT ACT MINISTERIAL DIRECTION

In accordance with section 22 of the *Road Management Act 2004*, Council must publish a copy or summary of any Ministerial direction in its Annual Report. No such Ministerial directions were received by Council during the 2016-17 financial year.



- Nagambie Farmers Market
- High Street, Nagambie
- Honouring Our Heroes, Euroa
(Clockwise from above)



- Euroa will receive a new netball court through joint funding contributions from the Victorian Government, Council and a massive community fundraising effort.

Performance Statement

FOR THE YEAR ENDED 30 JUNE 2017



Description of Municipality

Strathbogie Shire is a rural municipality located approximately two hours from the Melbourne CBD and covers 330,326 hectares. We have diverse and picturesque communities served by townships such as Euroa, Nagambie, Violet Town, Avenel, Longwood, Ruffy and Strathbogie with a population of over 10,000 and growing. The shire has an ageing population with 38 per cent of residents aged 60 years and over. Approximately eight out of ten residents were born in Australia and about 5 per cent of people came from countries where English was not their first language.

The Strathbogie Shire has a rural economic base of wool, grain, sheep and cattle production, extensive vineyards, world class wineries and a wide range of intensive cool climate horticultural enterprises. The region is also known as the Horse Capital of Victoria due to its ever expanding horse industry. Thoroughbred breeding studs are the cornerstone of this important industry, with many prestigious Melbourne Cup winners bred and trained in the shire. Nagambie is also the birthplace of Black Caviar, the world champion horse, and now has a life-size bronze statue sitting pride of place at Jacobson's Outlook.



- *Black Caviar Statue, Nagambie*

Sustainable Capacity Indicators

FOR THE YEAR ENDED 30 JUNE 2017

Indicator / Measure	Results			Material Variations
	2015	2016	2017	
Population				
Expenses per head of municipal population [Total expenses / Municipal population]	\$2,758.30	\$2,903.83	\$2,614.58	5% increase in population through use of 2016 Census data. Reduced borrowing cost and decrease in the written down value of infrastructure assets replaced of \$2.4m affected the indicator
Infrastructure per head of municipal population [Value of infrastructure / Municipal population]	\$23,842.80	\$24,896.09	\$24,806.95	No material variations
Population Density per length of road [Municipal population / kilometres of local roads]	4.37	4.15	4.36	No material variations
Own-source revenue				
Own-source revenue per head of municipal population [Own-source revenue / Municipal population]	\$1,845.97	\$1,955.13	\$1,943.07	No material variations
Recurrent grants				
Recurrent grants per head of municipal population [Recurrent grants / Municipal population]	\$1,157.20	\$578.77	\$999.52	An advance payment from Victoria Grants Commission inflated the 2014-15 result and reduced 2015-16.A further prepayment of 2017-18 grant of \$2.5m in 2016-17 inflated the 2016-17 result.

Sustainable Capacity Indicators

FOR THE YEAR ENDED 30 JUNE 2017

Indicator / Measure	Results			Material Variations
	2015	2016	2017	
Disadvantage				
Relative socio-economic disadvantage [Index of Relative Socio-economic Disadvantage by decile]	3.00	3.00	3.00	No material variations

DEFINITIONS

“adjusted underlying revenue” means total income other than—

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

Service Performance Indicators

FOR THE YEAR ENDED 30 JUNE 2017

	Results			
Service/Indicator/Measure	2015	2016	2017	Material Variations
Aquatic facilities				
Utilisation				
Utilisation of aquatic facilities [Number of visits to aquatic facilities / Municipal population]	3.30	4.41	3.75	Increased publicity about pools due to Council consideration of future options saw an increase in usage in 2015-2016, which reduced in 2016-17. Attendances are also weather dependent.
Animal Management				
Health and safety				
Animal management prosecutions [Number of successful animal management prosecutions]	0.00	0.00	0.00	No material variations
Food safety				
Health and safety				
Critical and major non-compliance notifications [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] x 100	100%	0.00%	0.00%	There were zero critical and zero major non-compliance notifications identified or actioned in 2015-16 and 2016-17

Service Performance Indicators

FOR THE YEAR ENDED 30 JUNE 2017

Service/Indicator/Measure	Results			Material Variations
	2015	2016	2017	
Governance				
Satisfaction				
<i>Satisfaction with Council decisions</i> [Community satisfaction rating out of 100 with how Council has performed in making decisions in the interest of the community]	48.00	48.00	38.00	Survey result less than previous year.
Home and community care				
Participation				
<i>Participation in HACC service</i> [Number of people that received a HACC service / Municipal target population for HACC services] x 100	31.33%	0.00%	Reporting ceased on 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs
<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] x 100	9.76%	0.00%	Reporting ceased on 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs

Service/Indicator/Measure	Results			Material Variations
	2015	2016	2017	
Libraries				
Participation				
Active library members [Number of active library members / Municipal population] x100	26.00%	27.16%	23.11%	<p>Library members reduced from 2669 to 2387 and population increased 5.1% through using 2016 Census data.</p> <p>The number of Active Library Members has shown a decline in Strathbogie and across the GV Libraries region.</p> <p>There is no particular reason identified for this decline. Overall membership has increased across the GV Libraries region. The LB4 measure only captures members who have participated in Library services through borrowing or renewing a physical or eBook item only, in the previous 12 months. It specifically does not count members who have only participated through passive visits, meetings, social groups, reading in house newspapers & magazines, use of computers, wifi, online and in library resources, copying, printing, attending programs such as storytime or tech savvy seniors, outreach services and volunteering etc.</p>

Service Performance Indicators

FOR THE YEAR ENDED 30 JUNE 2017

Service/Indicator/Measure	Results			Material Variations
	2015	2016	2017	
Maternal and Child Health				
Participation				
Participation in the MCH Service [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x 100	85.00%	84.35%	83.87%	No material variations
Participation				
Participation in the MCH service by Aboriginal children [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x 100	100%	100%	100%	No material variations
Roads				
Satisfaction				
Satisfaction with sealed local roads [Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads]	43.00	44.00	43.00	No material variations

- Road and Bridge work continues throughout Strathbogie Shire

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Service/Indicator/Measure	Results			Material Variations
	2015	2016	2017	
Statutory Planning Decision making Council planning decisions upheld at VCAT [Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x 100	0.00%	33.33%	0.00%	In 2016-17 one appeal was lodged with Council decision set aside.
Waste Collection Waste diversion Kerbside collection waste diverted from landfill [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x 100	32.00%	68.24%	70.30%	No material variations between 2015-16 to 2015-17. Low rate in 2014-15 was prior to introduction of 3 bin system which has substantially increased diversion from landfill.



Service Performance Indicators

FOR THE YEAR ENDED 30 JUNE 2017

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

“CALD” means culturally and linguistically diverse and refers to persons born outside Australia in a country whose national language is not English

“class 1 food premises” means food premises, within the meaning of the Food Act 1984, that have been declared as class 1 food premises under section 19C of that Act

“class 2 food premises” means food premises, within the meaning of the Food Act 1984, that have been declared as class 2 food premises under section 19C of that Act

“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 authorised 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

“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 authorised 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 THE YEAR ENDED 30 JUNE 2017

Dimension/Indicator/ Measure	Results			Forecasts				Material Variations
	2015	2016	2017	2018	2019	2020	2021	
Efficiency								
Revenue Level								
Average residential rate per residential property assessment	\$1,865.97	\$1,939.62	\$1,967.20	\$2,020.00	\$2,069.80	\$2,126.40	\$2,178.40	No material variations
[Residential rate revenue / Number of residential property assessments]								
Expenditure level								
Expenses per property assessment	\$3,747.77	\$3,477.38	\$3,375.75	\$3,359.75	\$3,292.25	\$3,450.63	\$3,584.50	No material variations
[Total expenses / Number of property assessments]								
Workforce turnover								
Resignations and terminations compared to average staff	11.72%	11.35%	12.75%	9.18%	9.38%	9.38%	9.38%	Restructuring occurred 2016-17
[Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100								

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Financial Performance Indicators

FOR THE YEAR ENDED 30 JUNE 2017

Dimension/Indicator/ Measure	Results		Forecasts				Material Variations
	2015	2016	2017	2018	2019	2020	2021
Liquidity							
Working capital							
Current assets compared to current liabilities [Current assets / Current liabilities] x100	197.91%	203.69%	244.00%	154.06%	153.79%	151.36%	142.55%
							Some capital works carried over including a number of bridges. Prepayment of Grants Commission of \$2.5m in 2016-7 increased cash levels
Unrestricted cash							
Unrestricted cash compared to current liabilities [Unrestricted cash / Current liabilities] x 100	153.11%	129.44%	197.06%	86.10%	100.88%	97.98%	88.90%
							Some capital works carried over including a number of bridges. Prepayment of Grants Commission of \$2.5m in 2016-17 increased cash levels
Obligations							
Asset renewal							
Asset renewal compared to depreciation [Asset renewal expenses / Asset depreciation] x100	131.52%	121.97%	98.28%	170.45%	104.73%	103.63%	102.80%
							Varies according to capital spend and projects completed in any one year. Some bridge works carried over into 2017-18
Loans and borrowings							
Loans and borrowings compared to rates [Interest bearing loans and borrowings / Rate revenue] x100	13.08%	9.81%	6.65%	3.73%	2.88%	2.03%	1.37%
							Council policy of no new borrowings. Debt reducing while rate revenue is increasing

Dimension/Indicator/ Measure	Results			Forecasts				Material Variations
	2015	2016	2017	2018	2019	2020	2021	
Obligations continued								
Loans and borrowings Loans and borrowings repayments compared to rates [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	4.86%	3.17%	3.13%	3.06%	0.92%	0.90%	0.70%	Council policy of no new borrowings. With debt reducing repayments also reduce
Indebtedness Non-current liabilities compared to own source revenue [Non-current liabilities / Own source revenue] x100	15.06%	14.90%	9.53%	4.35%	5.27%	4.56%	3.86%	Council policy of no new borrowings. With debt reducing repayments also reduce
Operating position								
Adjusted underlying result Adjusted underlying surplus (or deficit) [Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100	10.24%	-16.00%	11.41%	-4.78%	4.47%	2.51%	1.28%	2016-17 Result inflated by prepayment of \$2.5m Grants Commission therefore reducing income in 2017-18

Continued overpage

Financial Performance Indicators

FOR THE YEAR ENDED 30 JUNE 2017

Dimension/Indicator/ Measure	Results			Forecasts				Material Variations
	2015	2016	2017	2018	2019	2020	2021	
Stability								
Rates concentration								
Rates compared to adjusted revenue	53.65%	78.10%	59.27%	72.31%	68.94%	68.97%	68.87%	2015-16 revenue reduced due to Grants Commission prepayment in 2014-15. New waste system and fees introduced in 2015-16 which increased waste charge in 2015-16 over 2014-15.Prepayment of \$2.5m Grants Commission grant received in 2016-17 affected the result.
[Rate revenue / Adjusted underlying revenue] x100								
Rates effort								
Rates compared to property values	0.63%	0.66%	0.64%	0.65%	0.65%	0.66%	0.67%	No material variations
[Rate revenue / Capital improved value of rateable properties in the municipality] x100								

DEFINITIONS

“adjusted underlying revenue” means total income other than:

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

“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

“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.

Other Information

FOR THE YEAR ENDED 30 JUNE 2017

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 27 June 2017 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.

Certification of the Performance Statement

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




David Roff
Principal Accounting Officer
Date 19 September 2017
Euroa, Victoria

In our opinion, the accompanying performance statement of the Shire of Strathbogie for the year ended 30 June 2017 presents fairly the results of council's performance in accordance with the *Local Government Act 1989* and the *Local Government (Planning and Reporting) Regulations 2014*.

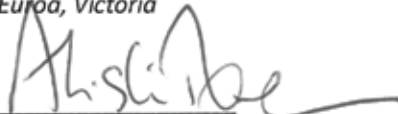
The performance statement contains the relevant performance indicators, measures and results in relation to service performance, financial performance and sustainable capacity.

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

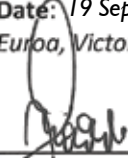
We have been authorised by the council and by the *Local Government (Planning and Reporting) Regulations 2014* to certify this performance statement in its final form.



Amanda McClaren
Councillor
Date: 19 September 2017
Euroa, Victoria



Alistair Thomson
Councillor
Date: 19 September 2017
Euroa, Victoria



Steve Crawcour
Chief Executive Officer
Date: 19 September 2017
Euroa, Victoria



Victorian Auditor-General's Office

Independent Auditor's Report

To the Councillors of Strathbogie Shire Council

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

Auditor's responsibilities for the audit of the performance statement	<p>As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the performance statement based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the performance statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Standards on Assurance Engagements will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.</p> <p>As part of an audit in accordance with the Australian Standards on Assurance Engagements, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:</p> <ul style="list-style-type: none"> • identify and assess the risks of material misstatement of performance statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. • obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the council's internal control • evaluate the overall presentation, structure and content of the statement of performance, including the disclosures, and whether the statement of performance represents the underlying events and results in a manner that achieves fair presentation. <p>I communicate with the Councillors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.</p>
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MELBOURNE 26 September 2017	Tim Loughnan as delegate for the Auditor-General of Victoria



- *EVOLVE - Muso Magic 17*

Financial Statement

FOR THE YEAR ENDED 30 JUNE 2017





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- Show 'n Shine, Euroa

Comprehensive Income Statement

FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
Income			
Rates and charges	3	18,066,579	17,234,171
Statutory fees and fines	4	389,726	312,662
User fees	5	700,096	760,261
Grants - operating	6	8,040,081	2,845,167
Grants - capital	6	3,194,120	4,058,600
Contributions - monetary	7	426,872	284,537
Contributions - non monetary	7	562,892	764,950
Share of net profits of associates	16	2,981	-
Bad and doubtful debts	12	-	12,388
Other income	9	813,574	1,930,660
Total income		32,196,921	28,203,396
Expenses			
Employee costs	10	(8,981,770)	(9,000,012)
Materials and services	11	(11,444,645)	(11,078,552)
Share of net loss of associates	16	-	(3,321)
Depreciation	13	(5,347,074)	(5,120,192)
Borrowing costs	14	(77,703)	(122,433)
Net loss on disposal of property, infrastructure, plant and equipment	8	(567,726)	(2,936,102)
Other expenses	15	(586,623)	(288,020)
Total expenses		(27,005,541)	(28,548,632)
(Deficit)/surplus for the year		5,191,380	(345,236)
Other comprehensive income			
Net asset revaluation increment/(decrement)	28	9,810,761	11,552,041
Total comprehensive result		15,002,141	11,206,805

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

Balance Sheet

FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
Assets			
Current assets			
Cash and cash equivalents	17	12,242,105	9,379,978
Other financial assets	19	2,200,000	1,200,000
Trade and other receivables	18	1,754,830	1,823,508
Inventories	20	7,848	5,989
Non-current assets classified as held for sale	21	926,800	1,737,974
Other assets	22	314,308	112,901
Total current assets		17,445,891	14,260,350
Non-current assets			
Investments in associates	16	244,501	241,520
Property, infrastructure, plant and equipment	23	285,836,580	274,451,379
Other financial assets	19	66,847	2,032
Total non-current assets		286,147,928	274,694,931
Total assets		303,593,819	288,955,281
Liabilities			
Current liabilities			
Trade and other payables	24	3,121,293	2,712,549
Trust funds and deposits	25	352,439	762,242
Provisions	26	3,164,538	3,038,147
Interest-bearing loans and borrowings	27	511,551	488,195
Total current liabilities		7,149,821	7,001,133
Non-current liabilities			
Trust funds and deposits	25	63,486	67,980
Provisions	26	1,158,453	1,154,814
Interest-bearing loans and borrowings	27	690,634	1,202,063
Total non-current liabilities		1,912,573	2,424,857
Total liabilities		9,062,394	9,425,990
Net assets		294,531,425	279,529,291
Equity			
Accumulated surplus		86,289,937	81,110,414
Reserves	28	208,241,488	198,418,877
Total Equity		294,531,425	279,529,291

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

Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2017

	Note	Total \$	Accumulated Surplus \$	Revaluation Reserve \$	Other Reserves \$
2017					
Balance at beginning of the financial year		279,529,290	81,110,414	197,718,476	700,400
Surplus/(deficit) for the year		5,191,373	5,191,373	-	-
Net asset revaluation increment/(decrement)	28(a)	9,810,760	-	9,810,760	-
Transfers from other reserves	28(b)	-	-	-	-
Transfers to other reserves	28(b)	-	(11,850)	-	11,850
Balance at end of the financial year		294,531,425	86,289,937	207,529,236	712,250

		Total \$	Accumulated Surplus \$	Revaluation Reserve \$	Other Reserves \$
2016					
Balance at beginning of the financial year		268,322,485	81,455,650	186,166,435	700,400
Surplus/(deficit) for the year		(345,236)	(345,236)	-	-
Net asset revaluation increment/(decrement)	28(a)	11,552,041	-	11,552,041	-
Transfers to other reserves	28(b)	-	-	-	-
Transfers from other reserves	28(b)	-	-	-	-
Balance at end of the financial year		279,529,290	81,110,414	197,718,476	700,400

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

Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2017

		2017 Inflows/ (Outflows) \$	2016 Inflows/ (Outflows) \$
	Note		
Cash flows from operating activities			
Rates and charges		17,974,619	17,156,320
Statutory fees and fines		389,726	312,662
User fees		724,869	556,563
Grants - operating		8,075,151	2,845,167
Grants - capital		3,194,120	4,058,600
Contributions - monetary		426,872	284,537
Interest received		284,653	275,168
Trust funds and deposits taken		173,301	586,049
Other receipts		528,921	632,248
Net GST refund/(payment)		1,646,096	1,578,333
Employee costs		(8,851,740)	(9,096,126)
Materials and services		(12,844,954)	(11,745,806)
Trust funds and deposits repaid		(587,598)	(319,481)
Other payments		(586,623)	(288,020)
Net cash provided by operating activities	29	10,547,413	6,836,214
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment	23	(6,607,667)	(7,347,261)
Proceeds from sale of property, infrastructure, plant and equipment		488,157	450,071
Net cash used in investing activities		(6,119,510)	(6,897,190)
Cash flows from financing activities			
Finance costs		(77,703)	(122,431)
Repayment of borrowings		-	(424,822)
Funds transferred to other financial assets		(488,073)	-
Net cash used in financing activities		(565,776)	(547,253)
Net (decrease)/increase in cash and cash equivalents		3,862,127	(608,230)
Cash and cash equivalents at the beginning of the financial year		9,379,978	9,988,208
Reclassification of cash as other financial assets		(1,000,000)	-
Cash and cash equivalents at the end of the financial year		12,242,105	9,379,978
Financing arrangements	30		
Restrictions on cash assets	17		

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

Statement of Capital Works

FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
Property			
Land		94,721	143,188
Buildings		1,017,086	1,188,625
Total property		1,111,807	1,331,813
Plant and equipment			
Plant, machinery and equipment		324,701	633,098
Computers and telecommunications		434,172	299,711
Total plant and equipment		758,872	932,809
Infrastructure			
Roads		3,001,229	4,016,134
Bridges and culverts		956,819	736,059
Footpaths		116,689	169,636
Drainage		505,575	179,307
Kerb and channel		-	61,818
Open Space		156,676	-
Total infrastructure		4,736,987	5,162,954
Total capital works expenditure		6,607,667	7,427,576
Represented by:			
New asset expenditure		873,658	536,354
Asset renewal expenditure		5,254,682	6,244,628
Asset expansion expenditure		113,901	-
Asset upgrade expenditure		365,427	646,594
Total capital works expenditure		6,607,667	7,427,576

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 2017

Introduction

The Strathbogrie Shire Council was established by an Order of the Governor in Council on 18 November 1994 and is a body corporate.

The Council's main office is located at the corner of Binney and Bury Streets, Euroa, Victoria 3666.

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 (l))
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 1 (m))
- the determination of employee provisions (refer to Note 1 (r))

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

(b) Changes in accounting policies

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

(c) Committees of management

The value of land and buildings occupied and/or utilised by Council committees of management is consolidated in Council's balance sheet as at 30 June 2017.

The following committees of management as at 30 June 2017 are not included in this financial report as they are not controlled by Council and accordingly prepare their own financial reports separately:

Avenel Memorial Hall
 Boho South Hall
 Creighton's Creek Recreation Reserve
 Euroa Band Hall
 Euroa Friendlies Reserve
 Euroa Third Age Club
 Gooram Soldiers' Memorial Hall
 Honouring Our Heroes
 Longwood Community Centre
 Miepoll Public Hall
 Moglonemby Hall
 Nagambie Recreation Reserve
 Nagambie Waterways Recreational and Commercial Stakeholders Advisory Committee
 Ruffy Recreation Reserve
 Shadforth Reserve
 Strathbogrie Memorial Hall
 Strathbogrie Recreation Reserve
 Tableland Community Centre Committee Ruffy
 Violet Town Complex
 Violet Town Recreation Reserve

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2017

Note 1 Significant accounting policies (cont.)

(d) Accounting for investments in associates

Associates are all entities over which Council has significant influence but not control or joint control. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

(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 2017

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

Short term receivables are carried at invoice amount as amortised cost using the effective interest rate method would not impact the carrying value. A provision for doubtful debts is recognised when there is objective evidence that an impairment has occurred. Long term receivables are carried at amortised cost using the effective interest rate method.

(i) Other financial assets

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

(j) Inventories

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

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

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

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

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2017

Note 1 Significant accounting policies (cont.)

(l) Recognition and measurement of property, infrastructure, plant and equipment

Acquisition

The purchase method of accounting is used for all acquisitions of assets, being the fair value of assets provided as consideration at the date of acquisition plus any incidental costs attributable to the acquisition. Fair value is the price that would be received to sell an asset (or paid to transfer a liability) in an orderly transaction between market participants at the measurement date.

Where assets are constructed by Council, cost includes all materials used in construction, direct labour, borrowing costs incurred during construction, and an appropriate share of directly attributable variable and fixed overheads.

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

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. Infrastructure asset valuations are reviewed annually and land and building assets every 2 years in conjunction with the municipal revaluation. The valuations are 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

Council recognised land under roads it controls at fair value after 30 June 2008.

(m) Depreciation and amortisation of property, infrastructure, plant and equipment

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 2017

Note 1 Significant accounting policies (cont.)

(m) Depreciation and amortisation of property, infrastructure plant and equipment (cont'd)

Asset recognition thresholds and depreciation periods

	Depreciation Period	Threshold Limit \$
Property		
land	-	10,000
Buildings		
buildings	20 to 120 years	5,000
Plant and Equipment		
plant, machinery and equipment	2 to 20 years	1,000
furniture and equipment	2 to 10 years	1,000
leased plant and equipment	3 to 5 years	5,000
Infrastructure		
road pavements - sealed	75 to 110 years	5,000
road pavements - unsealed	18 to 25 years	5,000
road seals	18 to 40 years	5,000
formation and earthworks	-	5,000
bridges deck	80 to 120 years	5,000
bridges substructure	80 to 120 years	5,000
culverts	70 to 100 years	5,000
footpaths	20 to 90 years	5,000
drainage	100 years	5,000
kerb and channel	80 years	5,000
open space assets	15 to 100 years	3,000

(n) Repairs and maintenance

Routine maintenance, repair costs, and minor renewal costs are expensed as incurred. Where the repair relates to the replacement of a component of an asset and the cost exceeds the capitalisation threshold the cost is capitalised and depreciated. The carrying value of the replaced asset is expensed.

(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 of disposal 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 2017

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 25).

(q) Borrowings

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

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

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2017

Note 1 Significant accounting policies (cont.)

(t) Leases

Finance leases

Leases of assets where substantially all the risks and rewards incidental to ownership of the asset are transferred to the Council are classified as finance leases. Finance leases are capitalised, recording an asset and a liability at the lower of the fair value of the asset and the present value of the minimum lease payments, including any guaranteed residual value. Lease payments are allocated between the reduction of the lease liability and the interest expense. Leased assets are depreciated on a straight line basis over their estimated useful lives to the Council where it is likely that the Council will obtain ownership of the asset or over the term of the lease, whichever is the shorter. Council has no finance leases.

Operating leases

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

(u) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, 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 34 contingent liabilities and contingent assets.

(w) Contingent assets and contingent liabilities and commitments

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

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

(x) Pending accounting standards

The following new AAS's have been issued that are not mandatory for the 30 June 2017 reporting period. Council has assessed these pending standards and has identified the following potential impacts will flow from the application of these standards in future reporting periods.

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

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

Leases (AASB 16) (applies 2019/20)

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

Council has a 2 operating leases that will be impacted as a result of this change. This will see assets and liabilities of approximately \$282,573 recognised.

(y) Rounding

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

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2017

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 \$100,000 where further explanation is warranted. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

The budget figures detailed below are those adopted by Council on 9 June 2015. 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 2017 \$	Actual 2017 \$	Variance \$	Ref
Income				
Rates and charges	17,908,500	18,066,579	158,079	1
Statutory fees and fines	267,300	389,726	122,426	2
User fees	751,000	700,096	(50,904)	
Grants - operating	5,336,900	8,040,081	2,703,181	3
Grants - capital	2,887,400	3,194,120	306,720	4
Contributions - monetary	115,000	426,872	311,872	5
Contributions - non monetary	-	562,892	562,892	6
Share of net profit of associates	-	2,981	2,981	
Bad and doubtful debts	-	-	-	
Other income	580,000	813,574	233,574	7
Total income	27,846,100	32,196,921	4,350,821	
Expenses				
Employee costs	(8,861,700)	(8,981,770)	(120,070)	8
Materials and services	(11,615,000)	(11,444,645)	170,355	9
Depreciation	(5,233,800)	(5,347,074)	(113,274)	10
Borrowing costs	(76,200)	(77,703)	(1,503)	
Net loss on disposal of property, infrastructure, plant and equipment	(680,500)	(567,726)	112,774	11
Other expenses	(498,000)	(586,623)	(88,623)	
Total expenses	(26,965,200)	(27,005,541)	(40,341)	
Surplus/(deficit) for the year	880,900	5,191,380	4,310,480	

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Rates and charges	Unbudgeted special charge schemes \$200K
2	Statutory fees and fines	Greater than budgeted fees - planning & subdivision \$91K, land information \$8K, building \$8K, health \$9K, boating \$5K
3	Grants - operating	Prepaid 2017/18 VGC funding \$2.56 million. Unbudgeted municipal emergency resourcing grant \$60K
4	Grants - capital	Unbudgeted grants - Ruffy fire \$91K, Euroa flood levee \$120K, transfer station upgrades \$50K, Birkett St Underpass \$75K, Avenel recreation reserve \$18K. Offset by lower than budgeted bridges grants \$58K
5	Contributions - monetary	Unbudgeted contributions - public open space \$12K, Nagambie Tourism \$23K, Vic Roads Euroa Mansfield drain \$87K, Birkett St underpass \$50K, footpath Euroa C.P. \$30K, bike road marking Nagambie \$30K, Nagambie Mens Shed \$11K
6	Contributions - non monetary	Unbudgeted - Hill St, Longwood \$37K, Longwood residential units \$280,000, found assets - drains \$134K
7	Other income	Greater than budgeted - investment income \$135K, found assets \$112K, rates interest \$27K, recycling income \$17K, shared services project \$141K
	Employee costs	Unbudgeted redundancy costs (Caroline 11K, Saragh Jane 29K, Sandy Joyce 36K, Keogh 35K)
9	Materials and services	Shared Services Centre (SSC) saving 140K and savings on Strategic Planning 20K
10	Depreciation	The relatively small depreciation saving appears primarily to be the result of improved condition survey results
11	Net loss on disposal of property, infrastr	Lower than budgeted written down value of assets replaced \$97K

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2017

Note 2 Budget comparison (cont)

(b) Capital Works

	Budget 2017 \$	Actual 2017 \$	Variance 2017 \$	Ref
Property				
Land	-	94,721	94,721	
Total Land	-	94,721	94,721	
Buildings	1,665,000	1,017,086	(647,914)	1
Total Buildings	1,665,000	1,017,086	(647,914)	
Total Property	1,665,000	1,111,807	(553,193)	
Plant and Equipment				
Plant, machinery and equipment	630,000	324,701	(305,299)	2
Computers and telecommunications	345,000	434,172	89,172	3
Total Plant and Equipment	975,000	758,872	(216,128)	
Infrastructure				
Roads	4,120,000	3,001,229	(1,118,771)	4
Bridges	3,261,000	956,819	(2,304,181)	5
Footpaths	132,000	116,689	(15,311)	6
Drainage	500,000	505,575	5,575	
Recreational ,leisure,park,open space and streetspaces	409,000	156,676	(252,324)	7
Total Infrastructure	8,422,000	4,736,987	(3,685,013)	
Total Capital Works Expenditure	11,062,000	6,607,667	(4,454,333)	
Represented by:				
New asset expenditure	768,000	873,658	105,658	
Asset renewal expenditure	9,024,000	5,254,682	(3,769,318)	
Asset expansion expenditure	1,121,000	113,901	(1,007,099)	
Asset upgrade expenditure	149,000	365,427	216,427	
Total Capital Works Expenditure	11,062,000	6,607,667	(4,454,333)	

(i) Explanation of material variations

Variance Ref	Item	Explanation
1 Buildings		Projects carried forward to 2017/18 \$0.539 million. Nagambie High St toilets and Violet Town oval toilets concept being finalised(\$300K), Brock St toilets commenced construction in July (\$200K)
2 Plant, machinery and equipment		Plant purchases less than budgeted \$140K, motor vehicle purchases less than budgeted \$150K
3 Computers and telecommunications		Unbudgeted furniture \$26K
4 Roads		Projects carried forward to 2017/18 \$592K, Binney Street roundabout not proceeding \$400K, VT flood mitigation, incorrectly classified as Roads, not proceeding \$100K. With availability of Government funding Council was able to plan significant expenditure on asset renewal , in particular bridges . Council's ability to prepare for and deliver some projects was compromised due to the lack of availability of qualified staff to deliver some of these projects, despite active recruitment efforts.
5 Bridges		Projects carried forward to 2017/18 \$2.371 million,With availability of Government funding Council was able to plan significant expenditure on asset renewal , in particular bridges . Council's ability to prepare for and deliver some projects was compromised due to the lack of availability of qualified staff to deliver some of these projects, despite active recruitment efforts
6 Footpaths		Minor project savings
7 Recreational ,leisure,park,open space and streetspaces		Projects carried forward to 2017/18 \$95K, pool projects savings \$30K, various minor savings

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2017

	2017 \$	2016 \$
Note 3 Rates and charges		
Council uses capital improved value (CIV) as the basis of valuation of all properties within the municipal district. The CIV of a property is the value of the land and all improvements on that land.		
The valuation base used to calculate general rates for 2016/17 was \$2,805 million (2015/16 \$2,610 million).		
General Rates	13,810,852	13,192,874
Municipal charge	1,768,376	1,750,978
Waste management charge	2,287,353	2,265,764
Supplementary rates and rate adjustments	-	24,555
Other Charge Scheme	199,998	
Total rates and charges	18,066,579	17,234,171
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		
Note 4 Statutory fees and fines		
Building fees	50,798	38,093
Planning fees	167,346	118,435
Health registrations	66,679	62,363
Animal registrations	83,433	77,748
Land information certificates	21,470	16,023
Total statutory fees and fines	389,726	312,662
Note 5 User fees		
Tip fees	100,005	83,702
Nagambie Lakes events	17,087	40,779
Saleyard operations revenue	248,877	280,155
Swimming pools revenue	5,234	6,235
Fire Service Levy - financial support	40,128	38,976
Rent/lease Charges	50,795	52,949
Private works	2,380	6,820
Euroa Cinema	56,196	63,885
Debt collection expenses recovered	90,316	85,519
Septic tank fees	15,940	16,946
Other user charges and contributions	73,138	84,276
Total user fees	700,096	760,261

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2017

	2017 \$	2016 \$
Note 6 Grants		
Grants were received in respect of the following :		
Summary of grants		
Commonwealth funded grants	9,937,254	5,379,090
State funded grants	1,296,947	1,524,677
Total grants received	11,234,201	6,903,767
Operating Grants		
Recurrent - Commonwealth Government		
Victoria Grants Commission	7,506,006	2,385,207
Senior Citizens Grants	19,729	19,234
Commonwealth Roads of Access	40,303	39,707
Veterans' Affairs	-	195
Recurrent - State Government		
Aged Care	31,810	30,861
Maternal & Child Health	112,516	105,502
Youth	55,000	67,705
Community Safety	19,339	19,175
Median Strip Subsidy	7,000	7,000
Pests and Plants Program	53,378	53,378
State Emergency Services	-	13,253
Municipal Emergency Resource Programme	60,000	-
Nagambie Tourism Infrastructure	45,000	-
Total recurrent operating grants	7,950,081	2,741,217
Non-recurrent - State Government		
Recreation	90,000	-
Municipal Emergency Resource Programme	-	25,000
Nagambie Main Street Project	-	50,000
Total non-recurrent operating grants	90,000	103,950
Total operating grants	8,040,081	2,845,167
Capital Grants		
Recurrent - Commonwealth Government		
Roads to recovery	2,371,216	2,934,747
Recurrent - State Government		
Local Government Infrastructure Program 2011-15	-	10,867
Total recurrent capital grants	2,371,216	2,945,614
Non-recurrent - State Government		
Bridges	216,789	260,001
Recreation	17,500	85,979
Fire Restoration	90,588	1,169
Libraries	3,000	100,000
Footpaths	75,000	55,000
Waste Transfer Station Upgrades	50,027	63,174
Euroa Saleyards Roof Stage 2 Grant	250,000	250,001
Nagambie Bypass Project	-	150,000
Avenal Hall Upgrade	-	150,000
Euroa Flood Levee	120,000	-
Total non-recurrent capital grants	822,904	1,112,986
Total capital grants	3,194,120	4,058,600
Unspent grants received on condition that they be spent in a specific manner		
Balance at start of year	354,018	42,433
Received during the financial year and remained unspent at balance date	352,527	354,018
Received in prior years and spent during the financial year	354,018	42,433
Balance at year end	352,527	354,018

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2017

	2017 \$	2016 \$
Note 7 Contributions		
Monetary		
Public Open Space Contributions	-	17,995
Contributions to Community Projects	52,621	84,047
GMW Chinaman's Bridge Caravan Park Contribution	183,056	182,496
Contribution for Capital Projects	161,196	-
	<u>396,873</u>	<u>284,538</u>
Non Monetary		
Land under roads	-	506,120
Gifted and Found Assets	562,892	1,282,074
Total contributions	<u>562,892</u>	<u>1,788,194</u>
Note 8 Net gain/(loss) on disposal of property, infrastructure, plant and equipment		
Proceeds of sale	488,157	450,071
Written down value of assets disposed	(652,623)	(541,420)
Written down value of infrastructure assets replaced	(403,260)	(2,844,753)
Total net gain/(loss) on disposal of property, infrastructure, plant and equipment	<u>(567,726)</u>	<u>(2,936,102)</u>
Note 9 Other income		
Interest	289,147	275,168
Interest on rates	88,960	79,969
Diesel rebate	49,113	43,744
Insurance recoveries	164,065	247,491
Regional Shared Services	100,000	103,725
Parental Leave Reimbursement	8,094	-
Green Organics	91,448	106,577
Open Space Contribution	11,850	-
Staff Training Subsidy	1,955	44,500
Other Items	8,942	6,242
Total other income	<u>813,574</u>	<u>1,930,660</u>
Note 10 (a) Employee costs		
Wages and salaries	7,882,259	7,722,030
WorkCover	140,691	312,120
Superannuation	678,538	677,979
Fringe benefits tax	173,520	154,912
Other	106,761	132,971
Total employee costs	<u>8,981,769</u>	<u>9,000,012</u>
Note 10 (b) Superannuation		
Council made contributions to the following funds:		
Defined benefit fund		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	79,526	72,376
Employer contributions - other funds	-	-
	<u>79,526</u>	<u>72,376</u>
Employer contributions payable at reporting date.	-	-
Accumulation funds		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	578,921	426,396
Employer contributions - other funds	-	179,207
	<u>578,921</u>	<u>605,603</u>
Employer contributions payable at reporting date.	-	-
Refer to note 33 for further information relating to Council's superannuation obligations.		

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	\$	\$
Note 11 Materials and services		
Building & Infrastructure Maintenance	3,470,162	3,140,065
Waste Management	1,947,271	1,738,855
Consultancies & Other Contractors	1,650,749	1,318,717
Operating Expenses- Plant	744,349	823,540
Community Expenses	739,407	737,693
Contractors- Labour Hire	637,725	254,326
Information Systems & Communications	529,996	520,932
Other Expenses	431,669	270,519
Materials and Services	323,860	711,333
Utilities	355,033	398,009
Insurances	312,326	290,869
Printing, Stationery & Postage	209,344	151,608
Legal Fees	92,753	93,584
Community assets not controlled by Council	-	628,502
Total materials and services	11,444,645	11,078,552
	-	-
Note 12 Bad and doubtful debts		
Other debtors	-	(12,388)
Total bad and doubtful debts	-	(12,388)
	-	-
Note 13 Depreciation		
Property	868,928	776,922
Plant and equipment	523,758	439,476
Furniture and equipment	249,191	234,952
Leased plant and equipment	-	-
Infrastructure	3,705,197	3,668,842
Total depreciation	5,347,074	5,120,192
<i>Refer to note 23 for a more detailed breakdown of depreciation and amortisation charges</i>		
Note 14 Borrowing costs		
Interest - Borrowings	77,703	122,433
Interest - Leases	-	-
Total borrowing costs	77,703	122,433
Note 15 Other expenses		
Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	39,000	43,423
Auditors' remuneration - Internal	46,201	46,004
Councillors' allowances	159,981	157,493
Other Councillor expenses	41,440	41,100
Donation*	300,000	-
Total other expenses	586,622	288,020

* During 2016/17 Council made a donation of \$300,000 to Euroa Hospital to purchase medical equipment.

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2017

Note 17 Cash and cash equivalents

Cash on hand
Cash at bank
Term deposits

	2,017 \$	2,016 \$
	4,213	4,128
	2,231,974	964,014
	10,005,918	8,411,836
	12,242,105	9,379,978

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

- Trust funds and deposits (Note 25)

Total restricted funds

Total unrestricted cash and cash equivalents

	352,439	762,242
	352,439	762,242
	11,889,666	8,617,736

Intended allocations

Although not externally restricted the following amounts have been allocated for specific future purposes by Council:

- Cash held to fund carried forward capital works

- open space reserve

- bridge replacement reserve

Total funds subject to intended allocations

	4,194,000	1,855,000
	112,250	100,400
	600,000	600,000
	4,906,250	2,555,400

Refer also to Note 19 for details of other financial assets held by Council.

Note 18 Trade and other receivables

Current

Rates debtors

Net GST receivable

Other debtors

Provision for doubtful debts - other debtors

Total current trade and other receivables

	1,141,194	1,114,050
	327,361	363,340
	293,300	353,143
	(7,025)	(7,025)
	1,754,830	1,823,508

(a) Ageing of Receivables

At balance date other debtors representing financial assets were past due but not impaired.

Current (not yet due)

Past due by up to 30 days

Past due between 31 and 180 days

Past due between 181 and 365 days

Past due by more than 1 year

Total trade & other receivables

	228,573	124,312
	8,599	20,131
	77,886	207,245
	-	-
	-	1,455
	315,057	353,143

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2017

(b) Movement in provisions for doubtful debts
 Balance at the beginning of the year
 New Provisions recognised during the year
 Amounts already provided for and written off as uncollectible
 Amounts provided for but recovered during the year
 Balance at end of year

(7,025)	(20,298)
-	-
-	884
-	12,389
(7,025)	(7,025)

Note 19 Other financial assets

Current

Term Deposits over 90 days

2,200,000	1,200,000
2,200,000	1,200,000

Total Current other financial assets

Non Current

Other assets

Share in MAV Purchasing Scheme

64,815	2,032
2,032	

Total Non-current other financial assets

66,847	2,032
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Total other financial assets

2,266,847	1,202,032
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Note 20 Inventories

Inventories held for distribution

Total inventories

7,848	5,989
7,848	5,989

Note 21 Non-current assets classified as held for sale

Written down value less cost to sell

926,800	1,737,974
926,800	1,737,974

Total Non-current assets classified as held for sale

Note 22 Other assets

Prepayments

Accrued income

Total other assets

201,786	89,316
112,522	23,585
314,308	112,901

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2017

Note 23 Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment

	At Fair Value 30 June 2016	Acquisitions	Contributions	Revaluation	Depreciation	Disposal	Transfers	At Fair Value 30 June 2017
Land	29,822,386	280,283	-	(348,441)	-	-	844,841	30,599,069
Buildings	45,573,702	391,082	-	(1,190,963)	(888,928)	(309,760)	(215,094)	43,380,039
Plant and Equipment	2,933,727	758,872	-	-	(772,948)	(121,217)	-	2,798,434
Infrastructure	195,570,692	4,110,247	562,892	11,350,165	(3,705,185)	(130,812)	-	207,757,999
Work in progress	550,873	5,927,198	-	-	-	(78,404)	(5,098,633)	1,301,035
	274,451,380	11,467,682	562,892	9,810,761	(5,347,061)	(640,193)	(4,468,886)	285,836,590

Summary of Work in Progress

	Opening WIP	Additions	Transfers	Write Offs	Closing WIP
Buildings	428,285	1,118,186	(671,367)	(6,379)	888,725
Infrastructure	122,588	4,809,012	(4,427,265)	(72,025)	432,310
Total	550,873	5,927,198	(5,098,633)	(78,404)	1,301,035

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2017

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

	Land - specialised	Land - non specialised	Land under roads	Total Land	Buildings - specialised	Buildings - non specialised	Total Buildings	Work In Progress	Total Property
Land and Buildings									
At fair value 1 July 2016	23,840,779	5,419,567	562,040	29,822,386	73,488,234	3,010,360	76,508,594	429,235	106,760,215
Accumulated depreciation at 1 July 2016	-	-	-	-	(29,939,405)	(995,487)	(30,934,892)	-	(30,934,892)
	23,840,779	5,419,567	562,040	29,822,386	43,558,829	2,014,873	45,573,702	429,235	75,825,323
Movements in fair value									
Acquisition of assets at fair value	280,283	-	-	280,283	391,082	-	391,082	439,490	1,110,855
Revaluation increments/decrements	(348,441)	-	-	(348,441)	(3,830,521)	-	(3,830,521)	-	(4,178,962)
Fair value of assets disposed	-	-	-	-	(376,794)	-	(376,794)	-	(376,794)
Less items held for resale (see note 21)	844,841	-	-	844,841	(1,216,931)	-	(1,216,931)	-	(372,090)
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
	776,683	-	-	776,683	(5,033,164)	-	(5,033,164)	439,490	(3,816,991)
Movements in accumulated depreciation									
Depreciation and amortisation	-	-	-	-	(868,928)	-	(868,928)	-	(868,928)
Revaluation increments/decrements	-	-	-	-	2,639,558	-	2,639,558	-	2,639,558
Accumulated depreciation of disposals	-	-	-	-	67,034	-	67,034	-	67,034
Less items held for resale (see note 21)	-	-	-	-	1,001,837	-	1,001,837	-	1,001,837
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
	-	-	-	-	2,839,501	-	2,839,501	-	2,839,501
At fair value 30 June 2017	24,617,462	5,419,567	562,040	30,599,069	68,465,070	3,010,360	71,475,430	868,725	102,943,224
Accumulated depreciation at 30 June 2017	-	-	-	-	(27,099,904)	(995,487)	(28,095,391)	-	(28,095,391)
	24,617,462	5,419,567	562,040	30,599,069	41,365,166	2,014,873	43,380,039	868,725	74,847,833

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2017

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

Plant and Equipment	Note	Plant machinery and equipment	Furniture and equipment	Total plant and equipment
At fair value 1 July 2016		5,709,067	2,828,666	8,537,733
Accumulated depreciation at 1 July 2016		(3,321,441)	(2,282,565)	(5,604,006)
		<u>2,387,626</u>	<u>546,101</u>	<u>2,933,727</u>
Movements in fair value				
Acquisition of assets at fair value		324,700	434,172	758,872
Fair value of assets disposed		(393,070)	(6,724)	(399,794)
Impairment losses recognised in operating result		-	-	-
Transfers		-	-	-
		<u>(68,370)</u>	<u>427,448</u>	<u>359,078</u>
Movements in accumulated depreciation				
Depreciation and amortisation		(523,757)	(249,191)	(772,948)
Revaluation		-	-	-
Accumulated depreciation of disposals		271,854	6,723	278,577
Impairment losses recognised in operating result		-	-	-
Transfers		-	-	-
		<u>(251,904)</u>	<u>(242,468)</u>	<u>(494,371)</u>
At fair value 30 June 2017		5,640,697	3,256,114	8,896,811
Accumulated depreciation at 30 June 2017		(3,573,345)	(2,525,033)	(6,098,377)
		<u>2,067,352</u>	<u>731,081</u>	<u>2,798,434</u>

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2017

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

	Infrastructure	Note	Roads	Bridges and culverts	Footpaths	Drainage	Kerb and channel	Open Space Assets	Cultural and Heritage Assets	Work In Progress	Total Infrastructure
At fair value 1 July 2016			176,555,978	73,008,499	3,703,489	13,582,401	6,379,434	6,130,350	584,112	121,638	280,065,901
Accumulated depreciation at 1 July 2016			(48,489,143)	(24,752,035)	(1,297,805)	(4,507,902)	(2,530,822)	(2,795,864)	-	-	(84,373,571)
			128,066,835	48,256,464	2,405,684	9,074,499	3,848,612	3,334,486	584,112	121,638	195,692,330
Movements in fair value											
Acquisition of assets at fair value			2,950,885	661,388	233,103	670,151	-	157,626	-	310,672	4,983,825
Revaluation			2,410,187	(598,491)	58,294	(89,830)	(23,545)	-	-	-	1,756,615
Fair value of assets disposed			-	(430,600)	-	(48,800)	-	-	-	-	(479,400)
Transfers			-	-	-	-	-	-	-	-	-
			5,361,072	(367,703)	291,397	531,521	(23,545)	157,626	-	310,672	6,261,040
Movements in accumulated depreciation											
Depreciation and amortisation			(2,329,377)	(755,158)	(78,519)	(159,235)	(105,784)	(277,112)	-	-	(3,705,185)
Revaluation			7,804,968	841,358	133,309	660,632	153,269	-	-	-	9,593,536
Accumulated depreciation of disposals			-	337,100	-	11,488	-	-	-	-	348,588
Transfers			-	-	-	-	-	-	-	-	-
			5,475,591	423,300	54,790	512,885	47,485	(277,112)	-	-	6,236,939
At fair value 30 June 2017			181,917,050	72,640,796	3,994,886	14,113,922	6,355,889	6,287,976	584,112	432,310	286,326,941
Accumulated depreciation at 30 June 2017			(43,013,552)	(24,328,735)	(1,243,015)	(3,995,017)	(2,483,337)	(3,072,976)	-	-	(78,136,632)
			138,903,498	48,312,061	2,751,871	10,118,905	3,872,552	3,215,000	584,112	432,310	208,190,309

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2017

Note 23

Property, infrastructure, plant and equipment cont'd

Valuation of land and buildings

Valuation of land and buildings were undertaken by a qualified independent valuer John Dixons, from FG Dixon's Group on 19 July 2017. The valuation of land and buildings is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Where land use is restricted through existing planning provisions the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

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

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.

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Land	-	5,420	-
Specialised Land	-	-	24,617
Land Under Roads	-	-	562
Buildings	-	2,015	-
Specialised Buildings	-	-	41,365
Total Land and Buildings	-	7,434	66,545

Valuation of infrastructure

The valuation is at fair value based on replacement cost less accumulated depreciation as at the date of valuation. Valuation of infrastructure assets at 30 June 2017 was made by Roy Hetherington, Certified Municipal Engineer.

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 2017 are as follows:

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2017

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Roads	-	-	138,903
Bridges and culverts	-	-	48,312
Footpaths	-	-	2,752
Drainage	-	-	10,119
Kerb and channel	-	-	3,873
Open space assets	-	-	3,215
Cultural and heritage assets	-	-	584
Total Infrastructure	-	-	207,759

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2017

Note 23	Property, infrastructure, plant and equipment cont'd	Description of significant unobservable inputs into level 3 valuations	2017		2016	
			\$		\$	
		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 85% and 95%. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values range between \$0.48 and \$565 per square metre.				
		Specialised buildings are valued using a depreciated replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs is calculated on a square metre basis and ranges from \$200 to \$7,000 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 20 years to 120 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of 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 18 years to 120 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of infrastructure are sensitive to changes in use, expectations or requirements that could either shorten or extend the useful lives of infrastructure assets.				
	Reconciliation of specialised land					
	Parks and reserves		17,352,965		17,569,681	
	Waste Management		853,801		853,801	
	Civic Centres		2,230,707		2,230,707	
	Council Depots		613,849		613,849	
	Caravan Parks		1,900,420		1,900,420	
	Pre Schools		364,000		364,000	
	Saleyards		308,321		308,321	
	Total specialised land		23,624,063		23,840,779	

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2017

The Notes to the Financial Statement For the Year Ended 30 June 2017 continues on page 186.



NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2017

		2017	2016
		\$	\$
Note 24	Trade and other payables		
	Trade payables	2,804,272	2,337,505
	Accrued expenses	317,018	375,044
	Total trade and other payables	3,121,290	2,712,549
Note 25	Trust funds and deposits		
	Current		
	Refundable deposits	12,077	29,937
	Fire services levy	10,900	448,282
	Retention amounts	132,230	68,440
	Other refundable deposits	197,232	215,583
	Total trust funds and deposits - Current	352,439	762,242
	Non-current		
	Trust funds bequested	63,486	67,980
	Total trust funds and deposits - Non-current	63,486	67,980

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.

Trust funds bequested are the William Pearson Bequest and the Tas Crosbie Bequest. These are trust funds held by Council for the purpose of distributing the interest earned on the funds for the benefit of specified community organisations.

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2017

Note 26

Provisions

2017

Balance at beginning of the financial year
Additional provisions
Amounts used

Increase in the discounted amount arising because of time and the effect of any change in the discount rate

Balance at the end of the financial year

2016

Balance at beginning of the financial year
Additional provisions
Amounts used

Increase in the discounted amount arising because of time and the effect of any change in the discount rate

Balance at the end of the financial year

(a) Employee provisions

Current provisions expected to be wholly settled within 12 months

Annual leave
Long service leave
Other

Current provisions expected to be wholly settled after 12 months

Annual leave
Long service leave

Total current employee provisions

Non-current

Long service leave
Total non-current employee provisions

Aggregate carrying amount of employee provisions:

Current

Non-current

Total aggregate carrying amount of employee provisions

	Employee	Landfill restoration	Total
	\$	\$	\$
2017			
Balance at beginning of the financial year	2,536,899	1,656,062	4,192,961
Additional provisions	786,349	122,676	909,025
Amounts used	(778,995)	-	(778,995)
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	-	-	-
Balance at the end of the financial year	<u>2,544,253</u>	<u>1,778,738</u>	<u>4,322,991</u>
2016			
Balance at beginning of the financial year	2,633,013	1,656,062	4,289,075
Additional provisions	838,168	54,549	892,717
Amounts used	(934,282)	(54,549)	(988,831)
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	-	-	-
Balance at the end of the financial year	<u>2,536,899</u>	<u>1,656,062</u>	<u>4,192,961</u>
	2017		2016
	\$		\$
(a) Employee provisions			
Current provisions expected to be wholly settled within 12 months			
Annual leave	608,831		648,277
Long service leave	279,533		276,777
Other	20,099		18,170
	<u>908,463</u>		<u>943,224</u>
Current provisions expected to be wholly settled after 12 months			
Annual leave	375,973		249,260
Long service leave	1,083,194		1,155,663
	<u>1,459,167</u>		<u>1,404,923</u>
Total current employee provisions	<u>2,367,630</u>		<u>2,348,147</u>
Non-current			
Long service leave	176,623		188,752
Total non-current employee provisions	<u>176,623</u>		<u>188,752</u>
Aggregate carrying amount of employee provisions:			
Current	2,367,630		2,348,147
Non-current	176,623		188,752
Total aggregate carrying amount of employee provisions	<u>2,544,253</u>		<u>2,536,899</u>

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2017

Note 26	Provisions (cont'd)		
	(b) Land fill restoration		
	Current	796,908	690,000
	Non-current	981,830	966,062
		<u>1,778,738</u>	<u>1,656,062</u>
Note 27	Interest-bearing loans and borrowings		
	Current		
	Borrowings - secured (1)	511,551	488,195
		<u>511,551</u>	<u>488,195</u>
	Non-current		
	Borrowings - secured (1)	690,634	1,202,063
		<u>690,634</u>	<u>1,202,063</u>
	Total	<u>1,202,185</u>	<u>1,690,258</u>
	(1) Borrowings are secured by securities on the general rates of the Council		
	(a) The maturity profile for Council's borrowings is:		
	Not later than one year	511,551	488,195
	Later than one year and not later than five years	690,634	921,295
	Later than five years	-	280,768
		<u>1,202,185</u>	<u>1,690,258</u>

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2017

Note 28 Reserves

	Balance at beginning of reporting period	Increment (decrement)	Balance at end of reporting period
	\$	\$	\$
(a) Asset revaluation reserves			
2017			
Property			
Land	24,994,006	(348,441)	24,645,565
Buildings	42,453,352	(1,190,963)	41,262,389
	67,447,358	(1,539,404)	65,907,954
Infrastructure			
Roads	87,967,661	10,215,155	98,182,816
Bridges and culverts	34,019,376	242,865	34,262,241
Footpaths	1,279,157	321,341	1,600,498
Drainage	3,977,305	570,804	4,548,109
Kerb and channel	3,011,415	-	3,011,415
Open space and cultural heritage	16,205	-	16,205
	130,271,119	11,350,165	141,621,284
Total asset revaluation reserves	197,718,477	9,810,761	207,529,238
2016			
Property			
Land	24,266,222	727,784	24,994,006
Buildings	32,203,619	10,249,733	42,453,352
	56,469,841	10,977,517	67,447,358
Infrastructure			
Roads	87,967,661	-	87,967,661
Bridges and culverts	34,019,737	(361)	34,019,376
Footpaths	720,837	558,320	1,279,157
Drainage	3,976,945	360	3,977,305
Kerb and channel	3,011,415	-	3,011,415
Open space and cultural heritage	-	16,205	16,205
	129,696,595	574,524	130,271,119
Total asset revaluation reserves	186,166,436	11,552,041	197,718,477

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	Balance at end of reporting period
	\$	\$	\$
(b) Other reserves			
2017			
Bridge replacement reserve	600,000	-	600,000
Open space reserve	100,400	11,850	112,250
Total Other reserves	700,400	11,850	712,250
2016			
Bridge replacement reserve	600,000	-	600,000
Open space reserve	100,400	-	100,400
Total Other reserves	700,400	-	700,400

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2017

	2017 \$	2016 \$
Note 29		
Reconciliation of cash flows from operating activities to (deficit)/surplus		
Surplus/(deficit) for the year	5,191,380	(345,236)
Depreciation/amortisation	5,347,074	5,120,192
Non-cash notional legal expenses - non-current assets held for resale	4,331	-
Loss on disposal of property, infrastructure, plant and equipment	567,726	2,936,102
Borrowing costs	77,703	122,433
Trust funds and other deposits repaid	(414,298)	266,568
Share of net profit of associates	(2,981)	3,321
Contributions - Non-monetary assets/ Found assets	(562,892)	(1,788,194)
Change in assets and liabilities:		
(Increase)/decrease in trade and other receivables	3,862	(281,549)
(Increase)/decrease in other assets	(201,407)	987,652
Increase/(decrease) in trade and other payables	408,744	(74,002)
(Increase)/decrease in inventories	(1,859)	(2,570)
Increase/(Decrease) in provisions	130,030	(108,502)
Net cash provided by operating activities	<u>10,547,413</u>	<u>6,836,214</u>
Note 30		
Financing arrangements		
Bank overdraft	1,145,000	1,145,000
Loan facilities	1,200,000	1,335,775
Lease facilities	500,000	500,000
Credit Cards	100,000	100,000
Total facilities	<u>2,945,000</u>	<u>3,080,775</u>
Used facilities	<u>(1,194,372)</u>	<u>(1,330,147)</u>
Unused facilities	<u>1,750,628</u>	<u>1,750,628</u>

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2017

Note 31**Commitments**

The Council has entered into the following commitments

2017	Not later than 1 year	year and not later than 2 years	years and not later than 5 years	Later than 5 years	Total
	\$	\$	\$	\$	\$
Operating					
Recycling	1,219,290	1,268,061	4,116,716	3,026,243	9,630,310
Garbage collection	495,676	517,413	1,690,527	1,250,646	3,954,263
Open space management	116,094	-	-	-	116,094
Cleaning contracts for council buildings	2,338	-	-	-	2,338
Total	1,833,397	1,785,474	5,807,243	4,276,889	13,703,004
Capital					
Buildings	185,570	-	-	-	185,570
Bridges	1,004,416	-	-	-	1,004,416
Roads	84,562	-	-	-	84,562
Total	1,274,548	-	-	-	1,274,548
Total Commitments	3,107,945	1,785,474	5,807,243	4,276,889	14,977,552

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

2016	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
	\$	\$	\$	\$	\$
Operating					
Recycling	1,172,394	1,219,290	3,958,381	4,452,640	10,802,705
Garbage collection	474,682	495,676	1,620,570	1,838,018	4,428,946
Open space management	416,249	116,094	-	-	532,343
Consultancies	9,350	2,338	-	-	11,688
Cleaning contracts for council buildings	106,988	-	-	-	106,988
Total	2,179,663	1,833,398	5,578,951	6,290,658	15,882,670
Capital					
Roads	282,675	-	-	-	282,675
Bridges	218,906	-	-	-	218,906
Total	501,581	-	-	-	501,581

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2017

		2017	2016
		\$	\$
Note 32	Operating leases		
	(a) Operating lease commitments		
	At the reporting date, the Council had the following obligations under non-cancellable operating leases for the lease of equipment and land and buildings for use within Council's activities (these obligations are not recognised as liabilities):		
	Not later than one year	87,119	87,119
	Later than one year and not later than five years	214,946	302,065
	Later than five years	-	-
		<u>302,065</u>	<u>389,184</u>

Note 33 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 2017, 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.

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

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 2017

Note 33 Superannuation (cont'd)

Vision Super has advised that the estimated VBI at quarter ended June 2017 was 103.1%. The VBI is to be used as the primary funding indicator. Because the VBI was above 100%, the 2015 interim actuarial investigation determined the Defined Benefit category was in a satisfactory financial position and that no change was necessary to the Defined Benefit category's funding arrangements from prior years.

Employer contributions

Regular contributions

On the basis of the results of the 2016 interim actuarial investigation conducted by the Fund Actuary, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2017, this rate was 9.5% of members' salaries (9.5% in 2015/2016). This rate will increase in line with any increase to the contribution rate. In addition, Council reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit.

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.

2016 Interim actuarial investigation surplus amounts

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

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

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2016. The total service liability surplus means that the current value of the assets in the Fund's Defined Benefit category plus expected future contributions exceeds the value of expected future benefits and expenses. Council was notified of the 30 June 2016 VBI during August 2016.

2017 Full triennial actuarial investigation

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

Future superannuation contributions

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2018 is \$68,600

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2017

Note 34 Contingent liabilities and contingent assets

Defined Benefit Superannuation

Council has obligations under a defined benefit superannuation scheme that may result in the need to make additional contributions to the scheme, matters relating to this potential obligation are outlined in Note 33. As a result of the volatility in financial markets the likelihood of making such contributions in future periods exists.

Landfill

Council did operate a landfill which is now closed. Council intends to carry out site rehabilitation works in the coming year. Council has obtained an updated estimate of the cost of land fill rehabilitation as at 30 June 2017. The rehabilitation provision has been increased to reflect the updated estimate. Refer Note 26

Bank Guarantees

Council has 2 outstanding bank guarantees in favour of Goulburn Valley Water in relation to the construction of sewerage infrastructure in Graham Street, Euroa (\$11,400) and Drysdale Road, Euroa (\$10,253)

Contingent assets

Council has no contingent assets at reporting date.

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2017

Note 35

Financial instruments

(a) Objectives and policies

The Council's principal financial instruments comprise cash assets, term deposits, receivables (excluding statutory receivables), payables (excluding statutory payables) and bank borrowings. Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument is disclosed in Note 1 of the financial statements. Risk management is carried out by senior management under policies approved by the Council. These policies include identification and analysis of the risk exposure to Council and appropriate procedures, controls and risk minimisation.

(b) Market risk

Market risk is the risk that the fair value or future cash flows of 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 34.

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

(d) Liquidity risk

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

To help reduce these risks Council:

- targets a minimum and average level of cash and cash equivalents to be maintained in its Strategic Resource Plan;
- has readily accessible standby facilities and other funding arrangements in place;
- has an investment policy that requires surplus funds to be invested within various bands of liquid instruments;
- monitors budget to actual performance on a regular basis; and
- sets limits on borrowings relating to the percentage of loans to rate revenue and percentage of loan principal repayments to rate revenue.

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 34, 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 27.

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

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2017

Note 35 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 2.77%.

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 2017

	2017 No.
Note 36 Related party disclosures	
(i) Related Parties	
<i>Parent entity</i>	
Strathbogie Shire Council is the parent entity.	
<i>Subsidiaries and Associates</i>	
Interests in associates are detailed in note 16.	
(ii) Key Management Personnel	
Details of persons holding the position of Councillor or other members of key management personnel at any time during the year are:	
Councillors	
Colleen Furlanetto (Mayor) 1 July 2016 to 21 October 2016	
Malcolm Little	
John Mason 22 October 2016 to 30 June 2017	
Amanda McClaren Mayor) 22 October 2016 to 30 June 2017	
Alister Purbrick 1 July 2016 to 21 October 2016	
Pat Storer 1 July 2016 to 21 October 2016	
Kate Stothers 22 October 2016 to 30 June 2017	
Debra Swan	
Alistair Thomson 22 October 2016 to 30 June 2017	
Robin Weatherald 1 July 2016 to 21 October 2016	
Graeme (Mick) Williams	
Total Number of Councillors	11
Chief Executive Officer and other Key Management Personnel	4
Total Key Management Personnel	<u>15</u>
(iii) Remuneration of Key Management Personnel	2017
Total remuneration of key management personnel was as follows:	
Short-term benefits	872,803
Post Employment Benefits	66,283
Other Long term Benefits	16,113
Termination Benefits	-
Share Based Benefits	-
	<u>955,199</u>
The numbers of key management personnel whose total remuneration from Council and any related entities, fall within the following bands:	
	2017 No.
\$1 - \$9,999	3
\$10,000 - \$19,999	4
\$20,000 - \$29,999	3
\$30,000 - \$39,999	1
\$160,000 - \$169,999	1
\$170,000 - \$179,999	-
\$180,000 - \$189,999	2
\$220,000 - \$229,999	1
	<u>15</u>
(iv) Transactions with related parties	
During the period Council did not enter into any transactions with related parties that require disclosure.	
(v) Outstanding balances with related parties	
There are no balances outstanding at the end of the reporting period in relation to transactions with related parties that require disclosure.	

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2017

Note 36 Related party disclosures (cont'd)

(vi) Loans to/from related parties

There are no loans in existence at balance date that have been made, guaranteed or secured by the council to a related party.

(vii) Commitments to/from related parties

There are no commitments in existence at balance date that have been made, guaranteed or secured by the council to a related party.

Note 37 Senior Officer Remuneration

2017

\$,000

Total remuneration of key management personnel was as follows:

Short-term benefits	273,567
Post Employment Benefits	25,989
Other Long term Benefits	6,039
Termination Benefits	-
Share Based Benefits	-
Total	<u>305,595</u>

2017

No.

< \$142,000	
\$142,000 - \$149,999	1
\$150,000 - \$159,999	1
\$160,000 - \$169,999	
\$170,000 - \$179,999	
	<u>2</u>

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

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

Note 38 Events occurring after balance date

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

FOR THE YEAR ENDED 30 JUNE 2017

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.

David Roff
Principal Accounting Officer

Date : 19 September 2017
Euroa, Victoria

In our opinion the accompanying financial statements present fairly the financial transactions of Strathbogie Shire Council for the year ended 30 June 2017 and the financial position of the Council as at that date.

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

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

Alistair Thomson
Councillor

Date : 19 September 2017
Euroa, Victoria

Amanda McClaren
Mayor

Date : 19 September 2017
Euroa/Victoria

Steve Crawcour
Chief Executive Officer

Date : 19 September 2017
Euroa, Victoria

CERTIFICATION OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017



Independent Auditor's Report


To the Councillors of Strathbogie Shire Council

Opinion	<p>I have audited the financial report of Strathbogie Shire Council (the council) which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 30 June 2017 • comprehensive income statement for the year then ended • statement of changes in equity for the year then ended • statement of cash flows for the year then ended • statement of capital works for the year then ended • notes to the financial statements, including a summary of significant accounting policies • certification of the financial statements. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2017 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 6 of the <i>Local Government Act 1989</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. My responsibilities under the Act are further described in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Australia. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Councillors' responsibilities for the financial report	<p>The Councillors of the council are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Local Government Act 1989</i>, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Councillors are responsible for assessing the council's ability to continue as a going concern, and using the going concern basis of accounting unless it is inappropriate to do so.</p>

CERTIFICATION OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

Auditor's responsibilities for the audit of the financial report	<p>As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.</p> <p>As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:</p> <ul style="list-style-type: none"> • identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. • obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the council's internal control • evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Councillors • conclude on the appropriateness of the Councillors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the council's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the council to cease to continue as a going concern. • evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation. <p>I communicate with the Councillors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.</p>
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<p>MELBOURNE 26 September 2017</p>	<div data-bbox="1021 1868 1380 2027">  </div> <p>Tim Loughnan as delegate for the Auditor-General of Victoria</p>
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	PROPERTY AND FACILITIES <ul style="list-style-type: none"> • Maintenance of Council Buildings • Swimming Pools
	FAMILY AND YOUTH SERVICES <ul style="list-style-type: none"> • Senior Citizens Centres • Maternal & Child Health Services • Youth Services
	ENVIRONMENT AND WASTE <ul style="list-style-type: none"> • Transfer Stations • Waste Collections • Sustainability Management
	PLANNING & AMENITY Statutory and Strategic planning
	PARKS AND LEISURE <ul style="list-style-type: none"> • Parks & Gardens • Recreation Reserves
	ARTS, CULTURE & LIBRARIES <ul style="list-style-type: none"> • Library Services • Euroa Community Cinema
	CAPITAL WORKS Infrastructure renewal ie. Road replacement, Bridges, Footpaths etc
	ROADS AND DRAINAGE Routine maintenance of roads and drains
	COMMUNITY SAFETY <ul style="list-style-type: none"> • Animal management & local laws • Boating operations & safety • Environmental Health • Street Lighting • Emergency Services
	COMMUNITY DEVELOPMENT <ul style="list-style-type: none"> • Access & Inclusion • Support to committees of management • Community Planning
	ECONOMIC DEVELOPMENT <ul style="list-style-type: none"> • Investment attraction • Land use planning • Support local tourism bodies & events
	OTHER CORPORATE <ul style="list-style-type: none"> • Debt servicing • Administration • Depreciation (non-infrastructure)
	ORGANISATION <ul style="list-style-type: none"> • Councillor support • Governance & corporate operation • Financial & administration services • Human Resources • Risk Management



The Strathbogie Shire Council encourages feedback on its Annual Report via email to info@strathbogie.vic.gov.au or by telephone on 1800 065 993.

Strathbogie Shire is committed to providing accessible services to its local residents from all culturally and linguistically diverse backgrounds.

If you have difficulty in understanding the Annual Report, you can contact us on 1800 065 993 and we will arrange an interpreter to effectively communicate the report to you.

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FURTHER INFORMATION
www.strathbogie.vic.gov.au



Strathbogie Shire

ANNUAL REPORT 2016 - 2017



LISTENING. ENGAGING. RESPONDING.