



MOIRASHIRE
ON THE MURRAY



Annual Report

2015/16

Vision

Moir on the Murray; with an environmentally, economically and socially sustainable community: the best place to be.

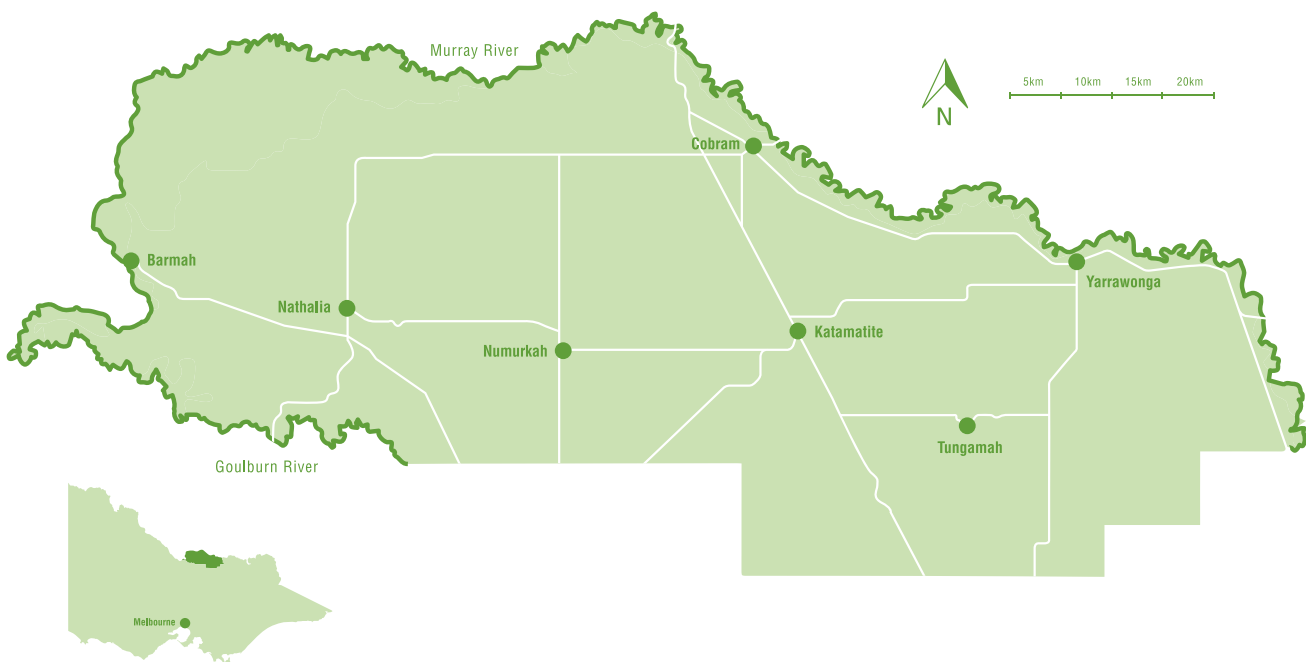
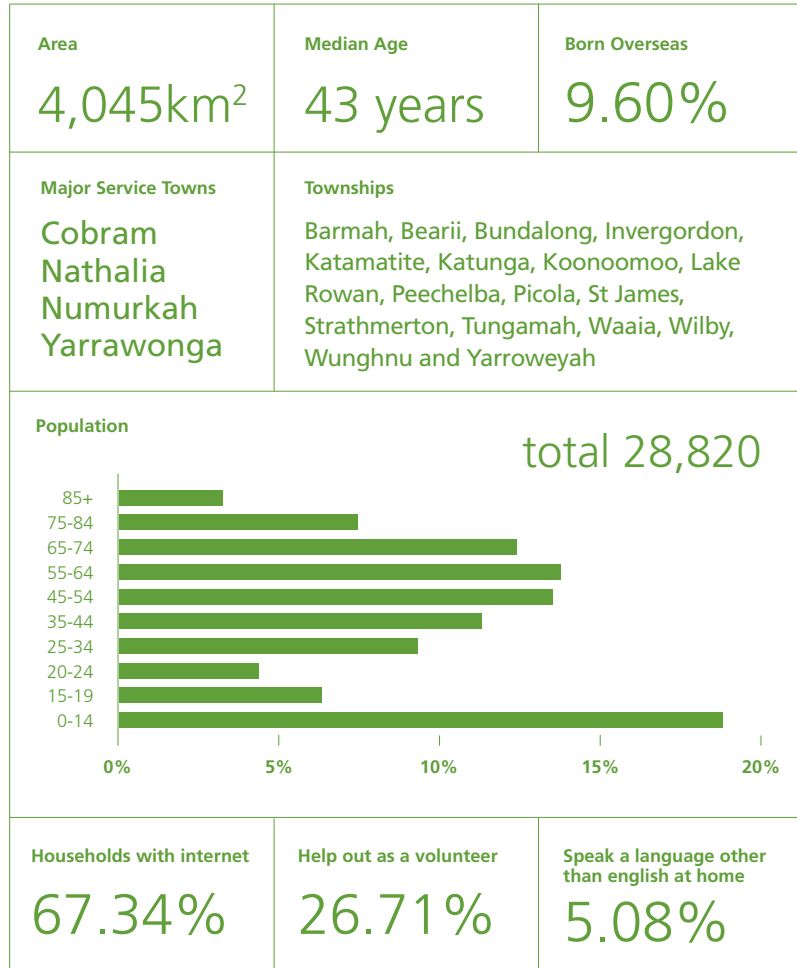
Mission

To serve our community through transparent open governance, active engagement, strong advocacy and the provision of affordable services.

Core Values

Ethical leadership underpins Council's decision making and operations. At all levels, Council seeks to ensure there is an appropriate balance between the values-based organisational culture described by our Core Values and enforcing relevant controls.

Community, honesty, innovation, integrity, responsibility, responsiveness, trust, leadership and accountability.



Contents

Report of Operations

<i>Welcome to the Report of Operations 2015-16</i>	2
<i>Message from the Mayor</i>	4
<i>Message from the Chief Executive Officer</i>	5
<i>Financial Summary</i>	6
<i>Description of Operations</i>	8
<i>Our Council</i>	9
<i>Our Councillors</i>	11
<i>Our People</i>	12
<i>Our Performance</i>	17
<i>Governance, Management and Other Information</i>	40
<i>Governance and Management Checklist</i>	46
<i>Statutory Information</i>	49

Performance Statement

<i>Description of Municipality</i>	52
<i>Sustainable Capacity Indicators</i>	53
<i>Service Performance Indicators</i>	54
<i>Financial Performance Indicators</i>	57
<i>Certification of the Performance Statement</i>	62

Financial Statements

<i>Index to Financial Statements</i>	66
<i>Notes to the Financial Statements</i>	72
<i>Certification of the Financial Statements</i>	106

Report of Operations



Welcome to the Report of Operations 2015-16

Council is committed to transparent reporting and accountability to the community and the Report of Operations 2015–16 is the primary means of advising the Moira Shire Council community about council's operations and performance during the financial year.

Demographic Profile

- Moira Shire is located in the Hume region of Victoria and stretches across 4,045 square kilometres from Bundalong in the east to the Barmah National Park to the west.
- Moira Shire's northern boundary is defined by the Murray River and shares boundaries with the municipalities of Campaspe, Greater Shepparton, Benalla, Wangaratta and Indigo.
- Moira Shire includes four major towns; Cobram, Nathalia, Numurkah and Yarrawonga and 17 smaller communities: Barmah, Bearii, Bundalong, Invergordon, Katamatite, Katunga, Koonoomoo, Lake Rowan, Peechelba, Picola, St James, Strathmerton, Tungamah, Waaia, Wilby, Wunghnu and Yarroweyah.
- It has an estimated residential population of 28,820 people with 85% born in Australia.
- Approximately two-thirds of residents live and work in the Shire.

Vision

Moira on the Murray; with an environmentally, economically and socially sustainable community: the best place to be.

Mission

To serve our community through transparent open governance, active engagement, strong advocacy and the provision of affordable services.

Core Values

Ethical leadership underpins Council's decision making and operations. At all levels, Council seeks to ensure there is an appropriate balance between the values-based organisational culture described by our Core Values and enforcing relevant controls.

Community, honesty, innovation, integrity, responsibility, responsiveness, trust, leadership and accountability.

Fast Facts

- Council's administrative centre is located in Cobram supported by a dispersed service delivery model that includes Customer service centres in Cobram and Yarrawonga and agency services in eight other local centres;
- 80 bridges and major culverts, with more than 1000 km of sealed roads, 2500 km of gravel roads, 600 km of farm access tracks, 239 km of kerb and channel and 60 km of footpaths;
- Nine waste transfer stations and a landfill site; 80 parks and gardens (open spaces), 44 playgrounds, 31 public toilet blocks and public BBQs;
- CBD streetscapes in the four major towns and 18 smaller towns;
- 570 buildings that range from town halls to sporting pavilions, public toilets, coaching boxes and pump sheds;
- Financial support to nine preschools, four libraries and a mobile library service for our smaller towns;
- Five maternal and child health centres and outreach services to our smaller centres;
- Five outdoor swimming pools, an indoor swimming pool and gymnasium, a water slide and splash park, two sports stadiums, and 17 recreation reserves and showgrounds.

Challenges and Future Outlook

Challenges

- Compared with equivalent Victorian councils, Moira Shire covers a large geographic area with multiple service locations and a relatively small, slower growing, dispersed and aging population. This combination means Moira Shire has relatively higher costs to deliver the equivalent range and standard of council services.
- Moira Shire's financial resources and our ability to fund our existing range, standard and location of services will decline over coming years as rate capping progressively impacts on Council's financial resources.
- Moira Shire is experiencing a substantive change to its grant funding. Targeted funding through the Roads to Recovery program has increased substantially, however other grant funding sources have declined.
- The two-year boost to Roads to Recovery funding has created significant human and plant resource challenges to ensure capacity to design and deliver works.
- The competition for grant funding is expected to increase significantly as rate capping forces councils to seek alternative funding options to maintain existing infrastructure and invest in new programs and services.
- Our community's capacity to pay has peaked and there is limited scope to supplement rate revenue through other income streams.
- Many of Moira Shire's assets are in the latter stage of their useful life and community use is declining but community service standards along with public use, safety and construction standards are increasing.

The Future

- Council will need to deliver a substantial shire wide drainage improvement program within the next five years. The works are required to upgrade existing drainage to meet growth in key centres and to repair existing drainage infrastructure that is approaching the end of its useful life. Council anticipates it will need to take on additional debt and/or apply for an above-cap rate increase to fund these works.
- Community planning is vital to allowing our communities to be a part of the long term decision making about Council services, programs and infrastructure investment. Our Shire comprises more than 17 towns and townships which significantly increases the resources required to develop localised plans.
- Council has commenced a review of its Municipal Strategic Statement to guide future land use planning across the Shire.
- Complete the Numurkah Floodplain Management Study and seek to secure funding to enable implementation of recommendations.
- Continue to advocate for the construction of a new bridge linking Yarrawonga and Mulwala along the green route.

Message from the Mayor

This Annual Report details Moira Shire Council's achievement of the 2013-2017 Council Plan strategic objectives and is the third report of this Council. The role of council includes:

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

Highlights

During 2015-16 Moira Shire Council continued its progress to achieving a stable financial position and delivery of a substantial capital works program. Our capital works included a wide range of projects from upgraded all-abilities toilet blocks to improved community facilities, roads and footpaths. These works underpin the liveability and economic activity of our Shire.

The new Cobram Library has been a highlight. The works are progressing well and are on track for completion in late 2016. There has also been significant community support for the project. The Cobram Library fundraising effort has generated more than \$180,000 from the community. This is a wonderful indication of the importance of this facility to our community. It has been a privilege to be part of this project from its inception and I look forward to its completion

We also continue to respond to rate capping and constrained financial resources by reviewing Council's asset mix and identifying underutilised facilities and services that are no longer appropriate or feasible for Council to provide. Decommissioning of the Cobram Saleyards and the Cobram Caravan Park were examples of progress during this reporting period.

Council also initiated a public expression of interest process to test community interest in a number of underutilised buildings. This process resulted in a range

of outcomes including transferring the management responsibilities back to the asset owner, the Victorian Government, providing certainty for user groups through multi-year lease agreements and in some cases progressing the demolition or replacement of facilities.

The community has actively participated and we shall continue to use this open and transparent process to evaluate future building and facility use decisions.

Understanding the community's future service needs was a key focus during the year. Through our engagement processes Council adopted a 2016-2026 Recreational Strategy, and implemented a program of activities to support our Recreational Vehicle Friendly status. Strategies to guide future Arts and Culture and Community Safety initiatives also commenced.

Council's advisory committees contributed to more informed decision making. Council's Multicultural Advisory Committee, Tourism Advisory Committee, Numurkah Flood Reference Group and the RV Friendly Working Group all provided important forums to test and understand community ideas and views. The Disability Advisory Committee played an active role in guiding the design of Council facilities to ensure access for all.

Governance, advocacy and engagement

Council continued to strengthen its governance with the adoption of a revised Code of Conduct as required following reforms to the Local Government Act 1989 that took effect during the reporting period.

Council's performance as measured through the annual Local Government Community Satisfaction Survey is strong and continues to improve in key service areas.

Thankyou

Overall, this year we have delivered on 90% of our council plan commitments and I would like to thank our councillors for their commitment to Moira Shire Council and their ongoing effort on behalf of residents. I also thank businesses, members of community groups and especially council officers for all having contributed to improving the liveability and amenity of our Shire.

Cr Gary Cleveland
Mayor

Message from the Chief Executive Officer

On behalf of Moira Shire Council it is a great pleasure to present council's Annual Report for the year 2015–16. The Chief Executive Officer is responsible for:

- Establishing and maintaining an appropriate organisational structure for the council
- Ensuring that the decisions of the council are implemented without undue delay
- The day to day management of the Council's operations in accordance with the council plan
- Developing, adopting and disseminating a code of conduct for council staff
- Providing timely advice to the council
- Carrying out the council's responsibilities as a deemed employer with respect to councillors, as deemed workers, which arise under or with respect to the Accident Compensation Act 1985 or the Accident Compensation (WorkCover Insurance) Act 1993.

Highlights

Moira Shire Council's sound governance, increased community engagement, improving financial position and the safe and efficient delivery of our capital works program were key achievements for the 2015-16 financial year.

Early in the reporting period Council's Federal Government's Roads to Recovery funding increased by more than a third. This created significant immediate challenges for Council's planning and design capacity but has allowed Council to catch up on a range of road, footpath and pavement works that were previously not able to be funded through this program. At the end of the reporting period 99.7% of Council's sealed roads were better than the intervention level – up from 87% the year prior.

Council also delivered a range of asset upgrades and improvements that ranged from the Cobram Library to the installation of community exercise equipment along the foreshore of Lake Mulwala.

Council officers commenced reviews of Council services that will assist Council to understand the true costs of service delivery and work with the community to test the service-cost tradeoff for future programs and initiatives.

We also completed several business improvement programs in our building, planning and revenue departments. The programs have streamlined Council processes and enhanced customer service delivery as demonstrated by Council resolving an increasing number of customer inquiries at first point of contact and the increased proportion of planning applications decided within 60 days.

Council embraced new technology to deliver improved services to the community. Council broadened its suite of communication tools launching a Facebook page in late December. Council's move to online tender management was extremely successful and has increased local and regional participation in Council's procurement programs. This followed Council's consolidation of its procurement, risk and internal audit functions into a Commercial Services unit.

Organisational performance

At the end of June 2016, Council's financial position remains strong. Operating expenditure for 2015–16 was tightly controlled and Council's underlying result was \$550,000 better than the 2015-16 budget and Council achieved a surplus of \$2.4 million. Council's Strategic Resource Plan indicates that surpluses will continue over the next four years, providing a sustainable level of funding for the refurbishment and replacement of community assets.

At the time of preparing this Report, Council's Enterprise Agreement negotiations continue. Our staff are critical to the delivery of services, programs and works and represent approximately a third of Council's annual expenses. The Enterprise Agreement proposals under negotiation reflect the impact of rate capping on Council's financial capacity.

Thankyou

I would like to take the opportunity to acknowledge Council, the local community and our staff and volunteers who have contributed to delivering our Council's vision and council plan.

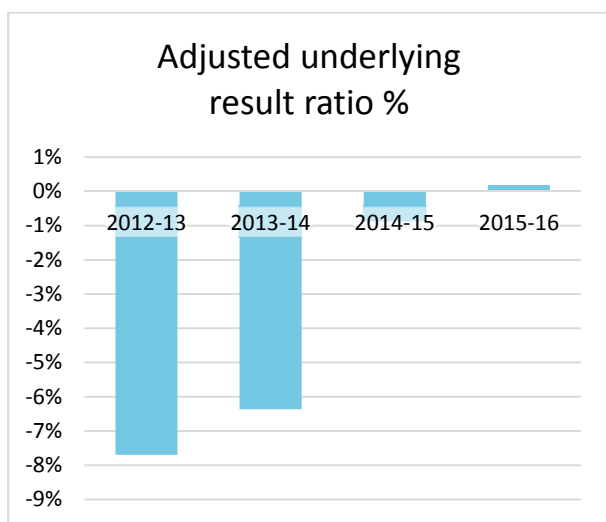
Mark Henderson
Chief Executive Officer

Financial Summary

Council's financial position remains sound. A summary of our performance is outlined below. Detailed information relating to Council's financial performance is included within the Financial Statements and Performance Statement sections of this report.

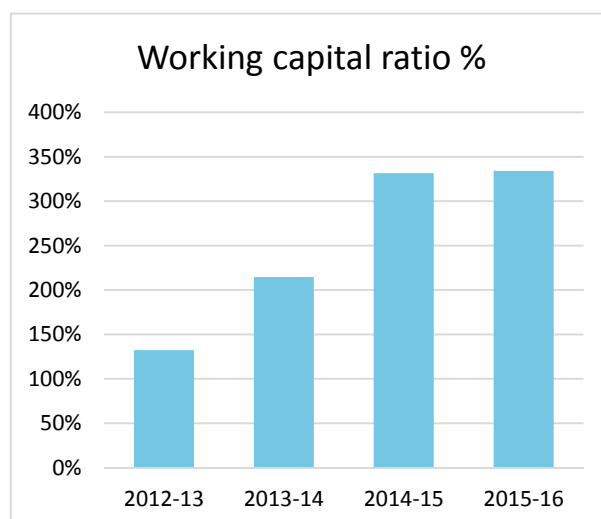
Operating Position

Council achieved a surplus of \$2.40 million in 2015-16. This surplus is lower than the prior year surplus of \$4.51 million, due in part to the 2014-15 result reflecting receipt of 50% of the Commonwealth Government's 2015-16 Financial Assistance Grants. The adjusted underlying surplus (surplus after removing non-recurrent capital grants, cash and non-monetary capital contributions) is \$460,000 or 0.20% when compared to adjusted underlying revenue. This is within the expected performance target band of -20% to 20% and continues the improvement seen over the past four years. Sustaining an adjusted underlying surplus is a critical financial strategy that provides capacity to renew the \$525 million of community assets under Council's control.



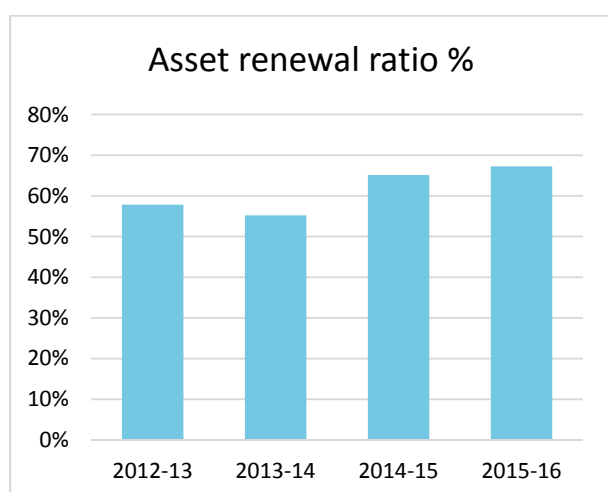
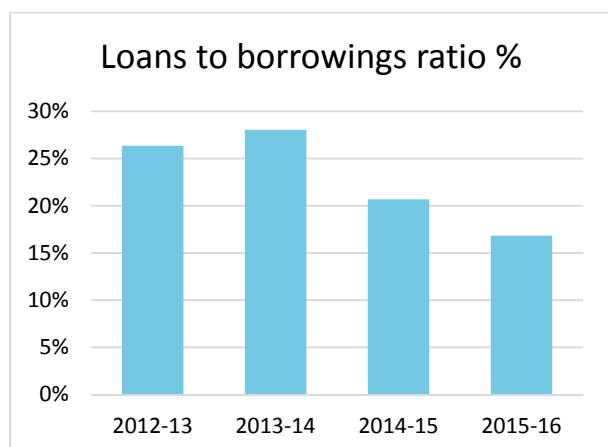
Liquidity

Cash and other financial assets as at 30 June 2016 are \$24.72 million which is stable compared to the 30 June 2015 figure of \$24.28 million. The increased cash balance is due to delays in completing capital works projects (including: Cobram Library, Yarrawonga All Abilities playground, Botts Road/Murray Valley Highway intersection, Blake Street Nathalia footpath and Nathalia levee banks). The working capital ratio which assesses Council's ability to meet current commitments is calculated by measuring Council's current assets as a percentage of current liabilities. Council's liquidity ratio level of 334% is an indicator of our satisfactory financial position and is well above the expected performance target band of 100% to 400%.



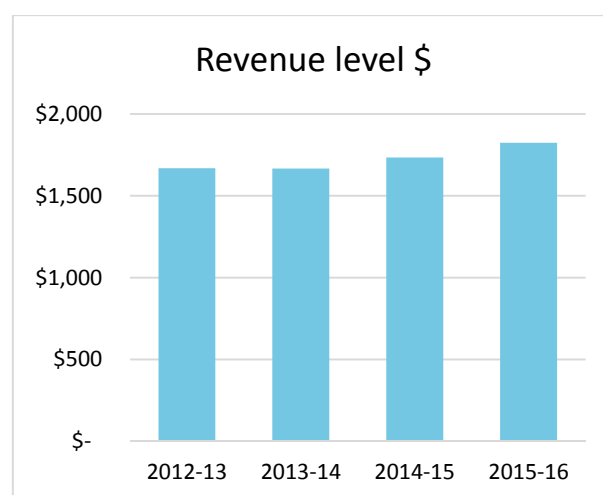
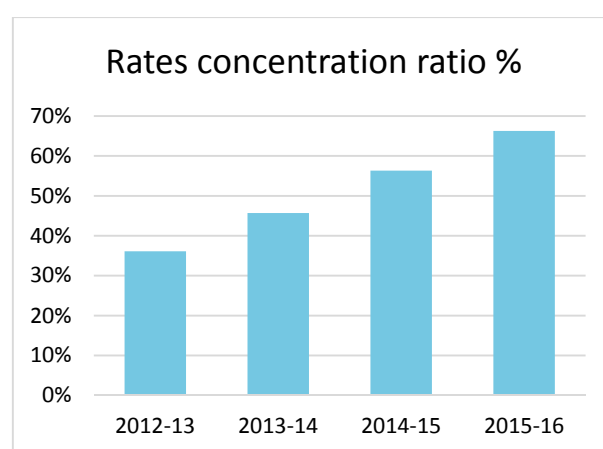
Obligations

Council aims to ensure that it can maintain its infrastructure assets at the expected levels, while at the same time continuing to deliver the services needed by the community. To bridge the infrastructure gap, Council invested \$6.42 million in renewal works during the 2015-16 year. This was funded from operational income. At the end of the 2015-16 year Council's debt ratio, which is measured by comparing interest-bearing loans and borrowings to rate revenue, was 16.8% which was well within the expected performance target band of 0% to 70%. Council's asset renewal ratio, which is measured by comparing asset renewal expenditure to depreciation, was 67.2% which is within the expected performance target band of 40% to 130%.



Stability and Efficiency

Council raises a wide range of revenue including rates, user fees, fines, grants and contributions. Council's rates concentration, which compares rate revenue to adjusted underlying revenue, was 66.3% for the 2015-16 year which is within the expected performance target band of 30% to 80%. Council has focused on broadening its revenue base and for the 2015-16 year was able to keep its rate increase to 4.0% in general rates and 4.0% in municipal charges. This resulted in an average residential rate per residential assessment of \$1,824.



Description of operations

Moira Shire Council is responsible for more than 100 services, from family and children's services, traffic regulation, open space, youth facilities, waste management and community building; to matters concerning business development, planning for appropriate development and ensuring accountability for council's budget. This broad range of community services and infrastructure for residents support the wellbeing and prosperity of our community. Council's vision, strategic objectives and strategies to further improve services and facilities are described in our Council Plan and the associated Budget 2015–16 and reported upon in this document. Refer to the section on Our Performance for more information about council services.

The delivery of services, facilities, support and advocacy to achieve the Strategic Objectives is measured by a set of service performance indicators and measures. Council also has a wide range of responsibilities under the Victorian and Australian legislations.

Economic Factors

Rate capping commenced 1 July 2016 and will progressively impact on Council's ability to fund service delivery and capital works.

By 2018/19 Council will need to fund a large level of drainage and flood mitigation works and, with rate capping firmly in place, there is likely to be a requirement to take on additional debt as a long term financing option. Taking on additional debt will be difficult within the rate cap expected in future years and may necessitate an exemption to the cap to fund debt repayments.

Major Capital Works

During the year Council continued to invest in the maintenance and upgrade of community assets and services as Council delivered its capital works program. Highlights included:

- Completion of a \$2 million road reseal program to ensure the surface of Council's sealed road network remains in good condition. The additional Roads to Recovery funding from the Federal

Government combined with the drop in oil prices allowed the program to become one of the largest ever undertaken by Council with more than 80 km of roads being resealed.

- Reconstruction of St James Road Yundool costing \$475,000.
- Reconstruction and widening of Naring Rd Numurkah costing \$235,000.
- Over \$1.5 million spent on resheeting roads in Council's gravel road network. Council has 2,500km of gravel roads on its register of public roads and, with the assistance of additional funding from the Roads to Recovery program, Council was able to resheet almost 120 km of roads in 2015-16.
- Completion of the project to rehabilitate cells 1 to 4 at the Cobram Landfill. The overall project cost was \$2 million and saw 3.5 hectare of the Cobram landfill rehabilitated with an engineered cap over the closed cells and the installation of bores to monitor the performance of the cap into the future.
- Commencement of the \$1.8 million Cobram Library project due for completion in 2016

Major Changes

During the reporting period Council consolidated a range of structural and process improvements in preparation for the introduction of rate capping from 2016-17.

Major Achievements

- During the first full year of operation Council's organic waste kerbside collection service exceeded best practice standards with contamination rates below 1% in every month with more than 54% of all of Moira's kerbside waste collection diverted out of landfill and into recycled or organic processing.
- Cobram Library is on track for completion in late 2016. The Cobram Library fundraising effort has generated more than \$180,000 from the community confirming the importance of this facility to our community.

Our Council



Our Profile

Moira Shire is located in the Hume region of Victoria and stretches across 4,045 square kilometres from Bundalong in the east to the Barmah National Park to the west. Our northern boundary is defined by the Murray River and our south-west, southern and south east regions share boundaries with the municipalities of Campaspe, Greater Shepparton, Benalla, Wangaratta and Indigo. Moira is centrally located to the regional cities of Shepparton, Wangaratta and Albury-Wodonga.

Moira Shire includes four major towns; Cobram, Nathalia, Numurkah and Yarrawonga and 17 smaller communities: Barmah, Bearii, Bundalong, Invergordon, Katamatite, Katunga, Koonoomoo, Lake Rowan, Peechelba, Picola, St James, Strathmerton, Tungamah, Waaia, Wilby, Wunghnu and Yarroweyah.

There is no single dominant major town within the Shire and importantly, each major town has a unique combination of economic and liveability advantages.

Our Community

Moira Shire's current population of 28,820 people includes:

- 49.7% are male and 50.3% are female. Aboriginal and Torres Strait Islander people make up 1.4% of the population.
- 85% of people were born in Australia, which is considerably higher than the state and national result. 79.1% of people had both parents born in Australia and 12.6% of people had both parents born overseas.
- 90% of people speak only English at home, with Italian, Arabic and Indo-Aryan (eg Punjabi) the most common non-English languages.
- The median age of Moira's population is 44 years, which is higher than the state and national median of 37 years. Children aged 0 - 14 years make up 19.3% of the population and people aged 65 years and over made up 21.6% of the population.

Our Economy

Moira Shire's food processing sector, comprising principally dairy products (output \$632m) and meat processing (output \$115m), is the largest sector based on output in the Shire. Food processing also includes significant output in oils and fats (output \$43m), fruit and vegetable products (output \$14m), wine (output \$8m) and other food products (output \$29m).

Moira Shire is home to major manufacturers including Murray-Goulburn Co-operative, Bega Cheese plant in Strathmerton, Graincorp Oilseeds in Numurkah and Ryan's Meat in Nathalia.

Agricultural land use accounts for approximately 71% of the total land area, divided equally between irrigated and dry-land production. In June 2013, there were 11,832 local jobs in Moira Shire, with 12,934 employed residents. A total of 3,128 businesses were registered in the Shire across all industries.

Tourism is the seventh largest contributor to economic output in the municipality generating an estimated \$90 million for the local community, including approximately 510 jobs, or about 5.6% of Moira Shire's workforce.

The Moira Shire community is serviced by local hospitals in each of the major towns along with a wide range of medical and allied health service providers. As a result health services are an important sector within and for the local community.

Our Councillors

The Council was elected to provide leadership for the good governance of the municipal district and the local community. On 27 October 2012 the Moira Shire Council community elected this Council for a four year term. The municipality is unsubdivided with the nine Councillors elected to represent 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.

A special meeting of Council is held each November to elect the Mayor for the following 12 month period. On 9 November 2015 Councillor Gary Cleveland was elected Mayor with Councillor Ed Cox elected Deputy Mayor. They replaced the previous Mayor Marie Martin and Deputy Mayor Peter Mansfield.



CR GARY CLEVELAND
Mayor

Mobile: 0419 211 027
gcleveland@moira.vic.gov.au



CR ED COX
Deputy Mayor

Mobile: 0400 564 885
ecox@moira.vic.gov.au



CR KEVIN BOURKE
kbourke@moira.vic.gov.au



CR WENDY BUCK
Mobile: 0427 820 645
wbuck@moira.vic.gov.au



CR BRIAN KEENAN
Mobile: 0419 549 528
bkeenan@moira.vic.gov.au



CR MARIE MARTIN
Mobile: 0407 858 269
mmartin@moira.vic.gov.au



CR PETER MANSFIELD
Mobile: 0428 574 433
pmansfield@moira.vic.gov.au



CR DON MCPHEE
Mobile: 0418 774 042
dmcphree@moira.vic.gov.au



CR ALEX MONK
Mobile: 0427 683 382
amonk@moira.vic.gov.au

Our People

Organisational structure

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. Two general managers and the CEO form the Corporate Management Team (CMT) and lead the organisation. Details of the CEO and senior officers reporting directly to the CEO are set out below.



MARK HENDERSON
Chief Executive Officer

Corporate Leadership
People & Organisational
Development
Economic Development



LEANNE MULCAHY
General Manager Corporate

Finance
Information Services
Governance &
Communications
Community Services
Commercial Development



ANDREW CLOSE
General Manager Infrastructure

Safety Amenity & Environment
Town Planning & Building
Construction & Assets
Operations
Strategic Projects



BRANT DOYLE
Manager People and Organisational Development

Human Resources
Employee & Industrial Relations
Learning & Organisational Development
Occupational Health & Safety
Payroll Services

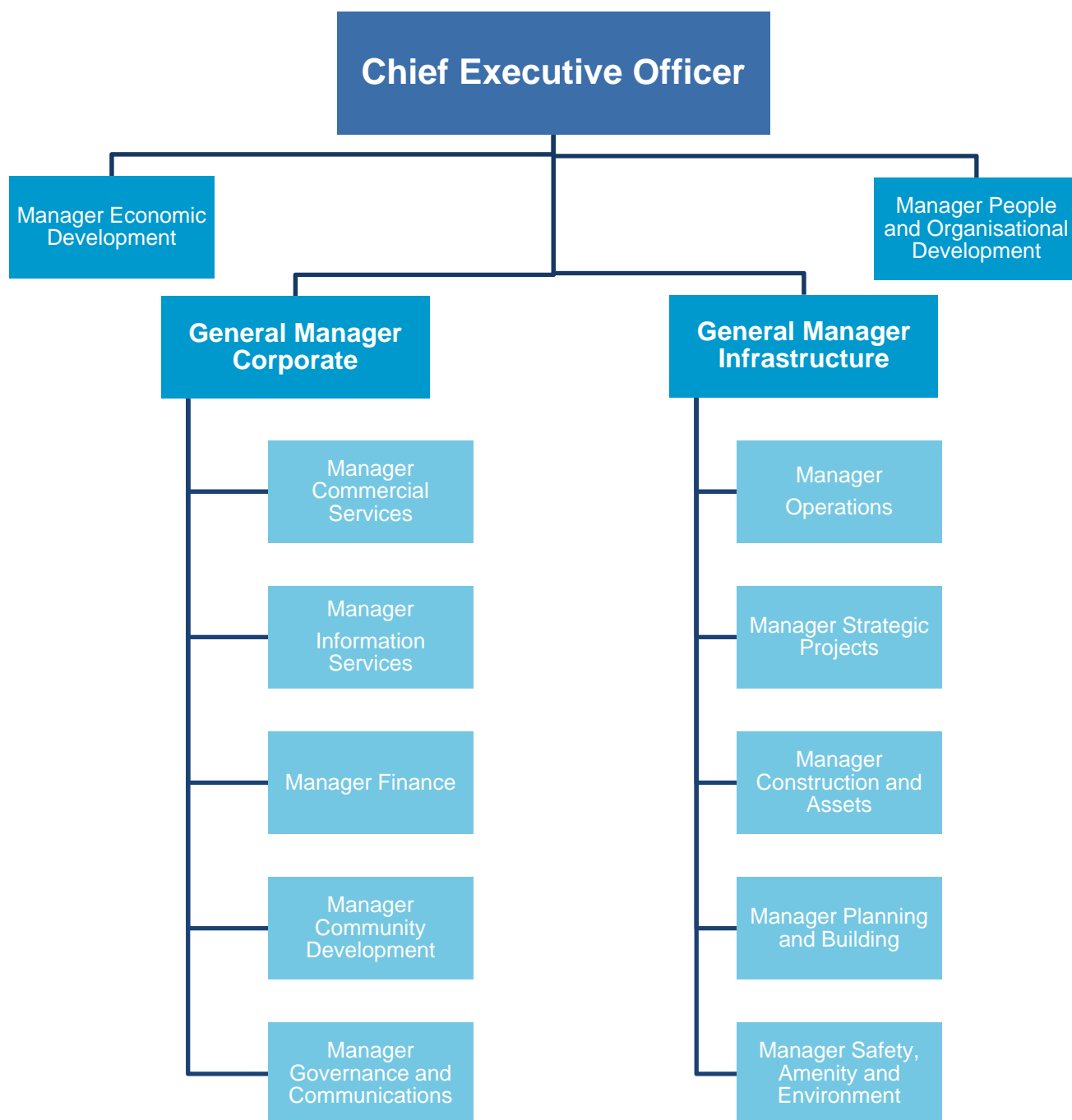


JANE O'BRIEN
Manager Economic Development

Economic Development
Tourism

Council Staff

A chart setting out the organisational structure of Council is shown below.

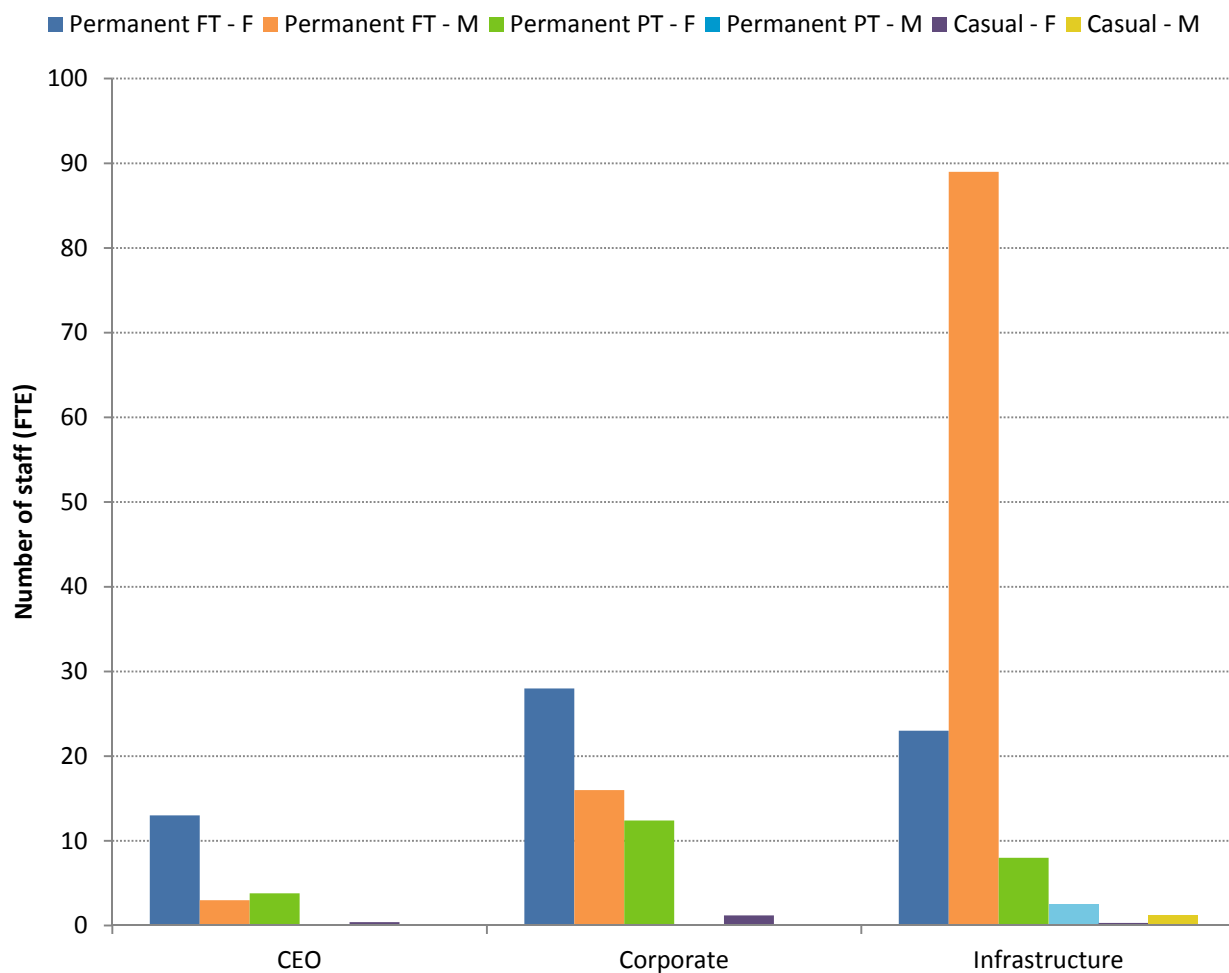


Council Staff

A summary of the number of full time equivalent (FTE) council staff by organisational structure, employment type and gender is set out below.

Employee type/gender	CEO FTE	Corporate FTE	Infrastructure FTE	Total FTE
Permanent FT – F	13.0	28.0	23.0	64.0
Permanent FT – M	3.0	16.0	89.0	108.0
Permanent PT – F	3.8	12.4	8.0	24.2
Permanent PT – M	-	-	2.5	2.5
Casual – F	0.4	1.2	0.3	1.9
Casual - M	-	-	1.2	1.2
Total	20.2	57.6	124.0	201.8

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

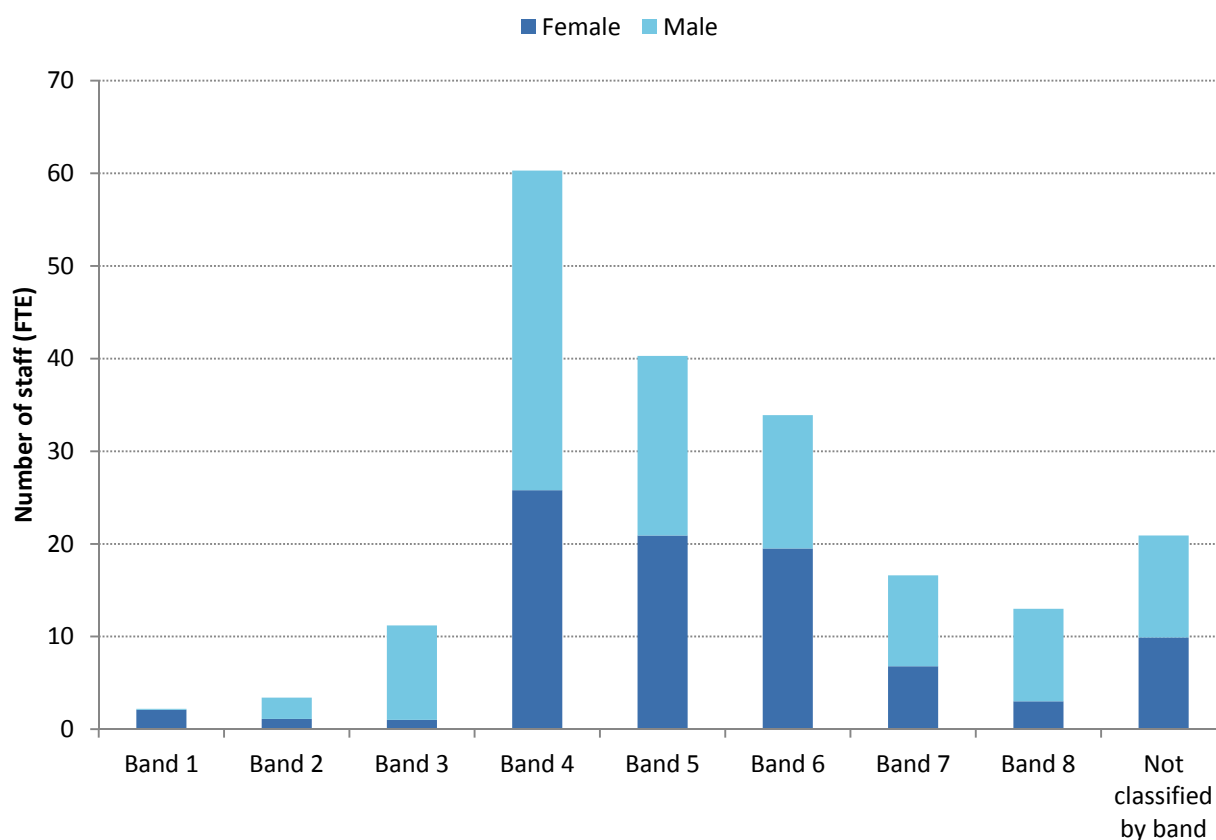


Council Staff

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

Structure Classification	Female FTE	Male FTE	Total FTE
Band 1	2.1	0.1	2.2
Band 2	1.1	2.3	3.4
Band 3	1.0	10.2	11.2
Band 4	25.8	34.5	60.3
Band 5	20.9	19.4	40.3
Band 6	19.5	14.4	33.9
Band 7	6.8	9.8	16.6
Band 8	3.0	10.0	13.0
Not classified by band	9.9	11.0	20.9
TOTAL	90.1	111.7	201.8

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



Equal Employment Opportunity Program

A council with 40 or more members of staff must have developed and implemented an equal opportunity program. Moira Shire Council has implemented an equal employment opportunity program which is designated to eliminate discrimination against and promote equal opportunity for women and persons in designated groups in relation to employment matters.

The objective of council's Equal Employment Opportunity Program is to ensure there is no discrimination relating to the characteristics listed under the Equal Opportunity Act 2010 such as race, colour, sex, marital status, parenthood, physical or mental impairment, age, religious or political affiliation, gender identity and sexual orientation. Further objectives include ensuring the workplace is free from bullying and harassment.

The actions taken to implement the Program over the past 12 months include the provision of Equal Opportunity Awareness sessions for all new employees and managers, to ensure they are fully aware of their responsibilities in maintaining a workplace free of bullying and harassment. The following indicators demonstrate the effectiveness of the Program during 2015/16.

Indicator	Target	2015/16 Result
Percentage of new employees receiving equal opportunity training with 6 months of commencement.	100%	98%
Percentage of existing employees receiving refresher equal opportunity training at least every 2 years.	100%	87%
Number of contact officers per number of council employees.	1:50	1:62

The indicators are monitored on an ongoing basis by the Equal Employment Opportunity Committee that meets regularly to promote employee and management awareness, consider relevant issues and contribute to resolution and advice. Council's assessment of the achievement of the program's objectives are that there were no breaches of the Equal Opportunity Act 2010.

Other Staff Matters

Enterprise bargaining agreement

In February 2016, an Enterprise Bargaining Committee comprising management representatives, nominated workplace union delegates and union organisers was established to negotiate a new Enterprise Agreement for council employees. As at 30 June 2016, negotiations were still continuing.

Professional development

Moira Shire Council offers study assistance for staff undertaking relevant undergraduate or postgraduate studies. In the past year, seven staff received support, including two who continued to study from the previous year. Council also provides a comprehensive corporate learning program that supports a broad range of staff development needs. This is developed in alignment with strategic priorities as well as in response to needs identified through performance and development plans. A variety of learning methodologies are used including e-learning, facilitated workshops and personal coaching.

Health and safety

Council's aim is to maintain a safety culture that supports an incident and injury-free workplace for all employees, councillors, contractors, visitors and the public. Over the last 12 months, council has maintained a Health and Safety Management System.

Council aims to secure the health, safety and welfare of employees and other persons at work by:

- eliminating hazards from the workplace;
- ensuring workplace inspections are carried out in accordance with the yearly plan;
- occupational health and safety training requirements for staff are identified and added to the yearly training calendar;
- Ensuring plant and equipment is compliant to Australian Standards; and
- Maintaining a Chemical Risk Register.

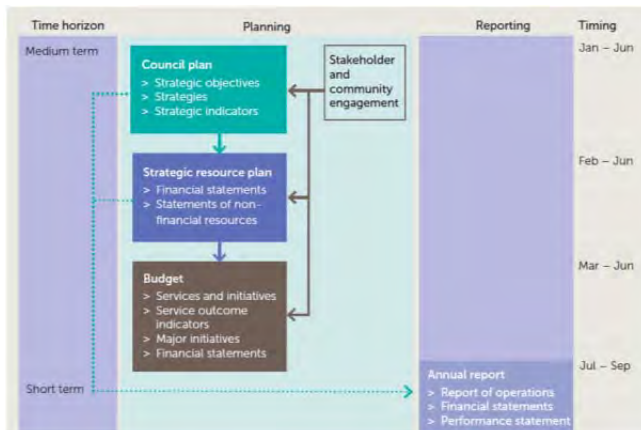
Our performance

Planning and Accountability Framework

The Planning and Accountability Framework is found in part 6 of 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, and;
- 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



Community Satisfaction

The Community Satisfaction Survey is conducted annually by an independent research company on behalf of the Department of Environment, Land, Water and Planning. The Survey report is available at www.moiravic.gov.au.

Community satisfaction with Moira Shire Council services – 2016 Community Satisfaction Survey		%
Appearance of public areas		75
Business & community development		58
Community decisions		51
Consultation & engagement		53
Disadvantaged support services		61
Elderly support services		67
Emergency & disaster management		67
Enforcement of local laws		62
Environmental sustainability		63
Family support services		63
Informing the community		53
Lobbying		53
Local streets & footpaths		55
Recreational facilities		68
Sealed roads		52
Slashing & weed control		56
Tourism development		63
Town planning policy		52
Waste management		73

Council Plan

Strategic Objectives

Council delivers services and initiatives under 28 major service categories. Each contributes to the achievement of one of the three Strategic Objectives and five enabling objectives as set out in the Council Plan 2013-17. The following table lists the eight Strategic and Enabling Objectives as described in the Council Plan.

Strategic Objective	Description
1. Strong regional partnerships	Strong stakeholder relationships will help inform Council's operations and investment priorities. Council will also draw on this understanding to ensure Moira's business and community needs are effectively represented within local, state and federal government and agency forums and Moira is able to access its fair share of funding and service opportunities.
2. Improve Moira's Liveability	Investing in Moira's liveability improves the quality of life for our residents and at the same time encourages greater economic growth by enhancing our region's ability to attract, retain and grow business activity.
3. Build on our economic strengths in agriculture, manufacturing and tourism	Moira's climate, location, irrigation infrastructure and transport options means it is well placed to grow its agriculture, manufacturing and tourism sectors. Moira's Economic Development Strategy, adopted in 2013, remains a key priority supported by the 'whole of council' approach outlined in the Council Plan.
Enabling Objective	Description
4. Smarter delivery of existing services and programs	Finding smarter and more efficient ways to deliver local government services is critical to delivering agreed service standards within our available financial resources. Council Plan proposed to involve industry and the community in the improvement and streamlining of Council processes and in determining acceptable trade-offs between cost and community service standards.
5. Delivering sound financial management	Financial sustainability underpins Council's ability to deliver services and invest in community assets that support our community's economic growth and social wellbeing. The Victorian Auditor-General's Office (VAGO) annual audit and review program will be the primary indicator of our performance.
6. Involving and communicating with our community	As we strive to deliver 'more with less', our community planning is vital to allowing our communities be a part of the decision making process as they evaluate and define service and asset needs and the trade-offs associated with change. The resulting plans inform Council's long term land use planning, asset management, service delivery and investment decision-making across our Shire.
7. Demonstrating good governance	Good governance underpins our community's, investors' and stakeholders' confidence in Council and our ability to attract grant and other investment and funding. Within the Council Plan, Council seeks to demonstrate the rigour of its governance, policies and decisions by adopting Best Value Principles.
8. Rebalancing Moira's asset mix	Council will work with the community to review and plan for the longer term renewal investment requirements to meet future service and asset needs of the community, business and stakeholders.

Performance

Council's performance for the 2015-16 year has been reported against each strategic objective to demonstrate how council is performing in achieving the 2013-17 Council Plan. Performance has been measured as follows:

1. results achieved in relation to the strategic indicators in the Council Plan
2. services funded in the 2015-16 Budget and the persons or sections of the community who are provided those services
3. results against the prescribed service performance indicators and measures

Strategic objective 1: Strong regional partnerships

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
Represent the interests of our community <i>Community Satisfaction Survey</i>	53	Council's performance is similar to results achieved in 2015.

Services

The following statement provides information in relation to the services funded in the 2015-16 budget and the persons or sections of the community who are provided the service.

Service Areas	Description of Services provided	Net Cost Actual Budget
		Variance \$'000
Office of CEO	This service provides leadership guidance to the business and Council and guides the development and delivery of Council's representation and advocacy efforts.	1,505 1,124 (381)

Strategic objective 2: Improving Moira's Liveability

Strategic indicators

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

Strategic Indicator/measure	Result	Comments
Encourage safe and resilient communities <i>Community Satisfaction Survey</i> <ul style="list-style-type: none"> • <i>Emergency and Disaster Management</i> • <i>Local law enforcement</i> 	67 62	Council's performance is similar to results achieved in 2015.
Encourage healthy and Active communities <i>Community Satisfaction Survey</i> <ul style="list-style-type: none"> • <i>Elderly support services</i> • <i>Sporting facilities</i> <i>Immunisation rates at state average.</i>	67 68	Council's performance is similar to results achieved in 2015.
Support inclusive and connected communities <i>Community Satisfaction Survey</i> <ul style="list-style-type: none"> • <i>Family support services</i> • <i>Disadvantage support services</i> 	63 61	Council's performance improved against both measures this year.
Provide clean and attractive parks, gardens, streetscapes, reserves and wetlands <ul style="list-style-type: none"> • <i>Community Satisfaction Survey</i> 	75	Council's performance improved against this measure this year.
Connect our communities via safe and efficient footpath and road networks <ul style="list-style-type: none"> • <i>Community Satisfaction Survey</i> • <i>Compliance with Road Management Plan</i> 	55 Achieved	Council's performance dropped by 2 points compared with 2015.
Engage and empower the community in working towards a sustainable future <ul style="list-style-type: none"> • <i>Community Satisfaction Survey</i> 	63	Council's performance improved from last year.
Deliver effective waste management services <i>Community Satisfaction Survey waste services</i> <i>Compliance with requirements of the EPA</i>	73 Achieved	Council's performance is one point lower than 2014/15. Council met all compliance requirements.

Major initiatives

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

Major Initiatives	Progress
During 2015/16 Council will complete construction of the Cobram Library (\$1.6 million net cost).	Cobram Library project is on track for completion in 2016.
Council will continue to work with local community to progress ideas to build an all-abilities playground in Yarrawonga. The budget includes initial funding commitment however the project is yet to be fully scoped with future ownership, management and maintenance responsibilities yet to be costed and assigned. (\$0.18 million net cost).	Council is finalising proposals to install all abilities playground equipment at a site in Yarrawonga.

Services

The following statement provides information in relation to the services funded in the 2015-16 budget and the persons or sections of the community who are provided the service.

Service Areas	Description of Services provided	Net Cost Actual Budget ----- Variance \$'000
Waste Management	This service provides waste collection including kerbside rubbish collection of garbage, recyclables and organic waste from households and some commercial properties in Council. It also operates nine transfer stations and a landfill site, including monitoring to maintain environmental standards.	(3,791) (3,246) <hr/> 545
Environment Sustainability and Natural Resource Management	This service develops environmental policy, implements environmental projects, delivers educational programs and works with other agencies to improve environment sustainability and natural resource management. The service assists with <ul style="list-style-type: none"> • implementing Council's roadside management plan, • management of Council's utilities including improving energy efficiency and reducing energy consumption, • responding to planning and other referrals relating to Natural Resource Management, • in partnership with other agencies managing Kinnairds Wetlands and • managing funded projects aimed at assisting the community adapt to climate change. 	853 934 <hr/> 81
Children, youth and families	This service provides <ul style="list-style-type: none"> • Contributions to nine community-based not for profit preschools to ensure quality and affordable preschool services across the Shire. • Maternal and child health services in Cobram, Nathalia, Numurkah, Strathmerton and Yarrawonga and outreach services to our smaller centres. • Youth services and events that connect and engage our younger citizens, such as Youth Council. • Immunisation programs for infants and school children. 	662 746 <hr/> 84
Emergency response management	This service assists Moira Shire communities to prepare, respond and recover from emergencies and natural disasters in line with Moira Shire's Emergency Management Plan.	(30) 62 <hr/> 92
Health and community wellbeing	Council works with communities to improve liveability for all residents across the Shire through arts and culture, access and inclusion and health and wellbeing programs. Council provides assistance to a range of partner agencies including Community Houses, Moira Health Care Alliance, Moira Arts and Culture Inc., and Moira Foodbank. Council works with committees and volunteer groups to plan for the future needs of our community and to ensure Council fulfils its legislated Public Health and Wellbeing obligations.	859 1,147 <hr/> 288

	<p>Council provides targeted grant programs to assist community groups and organisations to achieve goals within their local communities.</p> <p>Council supports the delivery of a diverse range of arts, cultural and events that enhance community wellbeing and provide opportunities for residents and visitors to participate in and enjoy a wide variety of activities. Council delivers these services through a combination of direct delivery, funding through annual arts and events grants programs and through formal funding agreements with Moira Arts and Culture Incorporated and similar independent organisations and service providers.</p>	
Library services	<p>Council provides a financial contribution to the operation of the Goulburn Valley Regional Library Corporation who in turn provides a range of library services at four locations within the Shire and via a mobile library service to smaller towns and centres.</p>	<div>732</div> <div>748</div> <hr/> <div>16</div>
Parks and reserves	<p>This service includes the cost of maintaining and upgrading Council's parks and gardens, reserves, town entrances and open spaces including 80 parks and gardens (open spaces), 44 playgrounds, 31 public toilet blocks, public BBQs and irrigation systems. This service is responsible for the management, maintenance and safety of parks and gardens, sporting grounds and playground facilities.</p>	<div>3,666</div> <div>4,165</div> <hr/> <div>499</div>
Public health	<p>This service aims to protect the community's health and wellbeing through the provision of regulatory services and education. The service undertakes inspections and registers premises in accordance with health and food legislation and approves permits for the installation of septic tanks.</p>	<div>446</div> <div>416</div> <hr/> <div>(30)</div>
Public safety	<p>This service provides a safe and orderly environment within the municipality through the regulation, control and enforcement of legislation and local laws. Services provided include school crossing supervisors, domestic animal management services and fire prevention enforcement program.</p>	<div>602</div> <div>756</div> <hr/> <div>154</div>
Roads, footpaths and drainage	<p>This service conducts ongoing maintenance of Council's road and bridge network which includes 80 bridges and major culverts, 1,000 km of sealed roads, 2,500 km of gravel roads varying from link roads to access tracks, 600 km of farm access tracks, 239 km of kerb and channel and 60 km of footpaths. Activities include repairing, resealing, asphaltting, resheeting and patching. The service also maintains CBD streetscapes in the four major towns and 18 smaller towns, fire plug maintenance and inspection and maintenance of flood pumps.</p>	<div>4,867</div> <div>2,466</div> <hr/> <div>(2,401)</div>
Sports and recreation services	<p>Council maintains five outdoor swimming pools at Yarrawonga, Cobram, Numurkah, Strathmerton and Nathalia, the water slide and splash park on the Yarrawonga foreshore, the Nathalia Sports and Community Centre, the Cobram Sports Stadium, and the Numurkah Aquatic & Fitness Centre along with the irrigation, mowing and general upkeep of Council's 19 recreation reserves and four showgrounds. The service also undertakes strategic reviews of service needs to identify and plan for future requirements.</p>	<div>1,299</div> <div>1,345</div> <hr/> <div>46</div>

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		Material Variations
	2015	2016	
Libraries			
Utilisation Library collection usage <i>[Number of library collection item loans / Number of library collection items]</i>	2.31	2.77	No material variation
Resource standard Standard of library collection <i>[Number of library collection items purchased in the last 5 years / Number of library collection items] x100</i>	37.68%	45.09%	The 2016 data includes e-books and GVRLC's ongoing investment in upgrading the existing collection.
Service cost Cost of library service <i>[Direct cost of the library service / Number of visits]</i>	\$3.84	\$3.72	The 2015 data has been restated to include direct costs only.
Participation Active library members <i>[Number of active library members / Municipal population] x100</i>	18.83%	17.11%	No material variation
Food Safety			
Timeliness Time taken to action food complaints <i>[Number of days between receipt and first response action for all food complaints / Number of food complaints]</i>	0.00	1.00	No material variation
Service standard Food safety assessments <i>[Number of registered class 1 food premises and class 2 food premises that receive an annual food safety assessment in accordance with the Food Act 1984 / Number of registered class 1 food premises and class 2 food premises that require an annual food safety assessment in accordance with the Food Act 1984] x100</i>	100.00%	100.00%	No material variation
Service cost Cost of food safety service <i>[Direct cost of the food safety service / Number of food premises registered or notified in accordance with the Food Act 1984]</i>	\$956.00	\$936.42	2014/15 data has been restated to accurately reflect service cost.
Critical and major non-compliance outcome notifications <i>[Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100</i>	100.00%	100.00%	No material variation

Waste Collection Satisfaction Kerbside bin collection requests <i>[Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households] x1,000</i>	44.39	26.80	The reduction is largely attributed to Council in partnership with its contractor actively identifying and addressing bin repair and replacement needs.
Service standard Kerbside collection bins missed <i>[Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts] x10,000</i>	0.38	0.39	No material variation
Service cost Cost of kerbside garbage collection service <i>[Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]</i>	\$123.33	\$108.85	Introduction of the organics kerbside collection service reduced the volume of waste disposed of to landfill and hence reduced the costs (gate entry) costs to Council.
Cost of kerbside recyclables collection service <i>[Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins]</i>	\$47.50	\$45.61	No material variation
Waste diversion Kerbside collection waste diverted from landfill <i>[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100</i>	47.33%	54.27%	The 2016 results reflect the first full year of operation of the organic kerbside collection service.
Animal Management Timeliness Time taken to action animal requests <i>[Number of days between receipt and first response action for all animal management requests / Number of animal management requests]</i>	0.00	1.00	No material variation
Service standard Animals reclaimed <i>[Number of animals reclaimed / Number of animals collected]</i>	20.00%	15.90%	This indicator does not include the number of animals rehomed. During 2015/16 50% of the 503 animals collected by Council were either reclaimed (80) or rehomed (172). Approximately half of the 189 animals euthanised were feral pests (cats).
Service cost Cost of animal management service <i>[Direct cost of the animal management service / Number of registered animals]</i>	\$50.92	\$54.99	2014/15 data has been restated to accurately reflect service cost.
Health and safety Animal management prosecutions <i>[Number of successful animal management prosecutions]</i>	0.00	0.00	No animal management prosecutions commenced during the reporting period.

Roads Satisfaction of use Sealed local road requests <i>[Number of sealed local road requests / Kilometres of sealed local roads] x100</i>	19.11	16.79	Increased Roads to Recovery grant funding has enabled Council to deliver increased road improvement works.
Condition Sealed local roads below the intervention level <i>[Number of kilometres of sealed local roads below the renewal intervention level set by council / Kilometres of sealed local roads] x100</i>	87.01%	99.73%	Increased Roads to Recovery grant funding has enabled Council to deliver increased road improvement works.
Service cost Cost of sealed local road reconstruction <i>[Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]</i>	\$28.20	\$26.73	No material variations
Cost of sealed local road resealing <i>[Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]</i>	\$5.79	\$4.34	Lower oil prices significantly reduced the costs of reseal works.
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>	49.00	52.00	No material variation
Aquatic Facilities Service standard Health inspections of aquatic facilities <i>[Number of authorised officer inspections of council aquatic facilities / Number of council aquatic facilities]</i>	4.43	0.00	Council officers and contractors completed 42 water quality tests at Council aquatic facilities during the reporting period.
Reportable safety incidents at aquatic facilities <i>[Number of WorkSafe reportable aquatic facility safety incidents]</i>	^0^	2.00	Two incidents were reported to WorkSafe in accordance with Council procedures. No further action resulted.
Service cost Cost of indoor aquatic facilities <i>[Direct cost of indoor aquatic facilities less income received / Number of visits to indoor aquatic facilities]</i>	\$11.01	\$10.16	No material variation
Cost of outdoor aquatic facilities <i>[Direct cost of outdoor aquatic facilities less income received / Number of visits to outdoor aquatic facilities]</i>	\$8.55	\$6.62	Visits to Council aquatic facilities increased in 2016 as a result of warmer weather and the extended blue green algae outbreak in local rivers and waterways.
Utilisation Utilisation of aquatic facilities <i>[Number of visits to aquatic facilities / Municipal population]</i>	2.50	2.76	The outdoor pool season was extended at Cobram and Yarrowonga due to blue green algae outbreak in local rivers and waterways in 2015/16. An additional 1129 attendances were recorded during this period.

Maternal and Child Health (MCH)			
Satisfaction			
Participation in first MCH home visit <i>[Number of first MCH home visits / Number of birth notifications received] x100</i>	95.74%	-	At the time of reporting implementation of new M&CH IT system is not complete and 2016 data is not available
Service standard			
Infant enrolments in the MCH service <i>[Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received] x100</i>	94.41%	-	
Service cost			
Cost of the MCH service ⁱ <i>[Cost of the MCH service / Hours worked by MCH nurses]</i>	0.00	\$99.44	2016 is the first year this indicator is required to be reported.
Participation			
Participation in the MCH service <i>[Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100</i>	84.77%	-	At the time of reporting implementation of new M&CH IT system is not complete and 2016 data is not available
Participation in the MCH service by Aboriginal children <i>[Number of aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100</i>	79.31%	-	
Home and Community Care			
Timeliness			
Time taken to commence the HACC service <i>[Number of days between the referral of a new client and commencement of HACC service / Number of new clients who have received a HACC service]</i>	N/A	N/A	Council outsources the provision of HACC services to a third party. Council does not have operational control over the service provided by the third party. Council is therefore not operationally involved in the provision of HACC services. This was also the case for the 2014-15 financial year and the 2014-15 financial year result should have been N/A.
Service standard			
Compliance with Community Care Common Standards <i>[Number of Community Care Common Standards expected outcomes met / Number of expected outcomes under the Community Care Common Standards] x100</i>	N/A	N/A	
Service cost			
Cost of domestic care service <i>[Cost of the domestic care service / Hours of domestic care service delivered]</i>	N/A	N/A	
Cost of personal care service <i>[Cost of the personal care service / Hours of personal care service delivered]</i>	N/A	N/A	
Cost of respite care service <i>[Cost of the respite care service / Hours of respite care service delivered]</i>	N/A	N/A	
Participation			
Participation in HACC service <i>[Number of people that received a HACC service / Municipal target population for HACC services] x100</i>	N/A	N/A	
Participation in HACC service by CALD people <i>[Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x100</i>	N/A	N/A	

Strategic objective 3: Build on our economic strengths in agriculture, manufacturing and tourism

Strategic indicators

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

Strategic Indicator/measure	Result	Comments
Strengthen and grow the Moira economy <ul style="list-style-type: none"> Community Satisfaction Survey 	58	Council's performance is similar to results achieved in 2015.
Strengthen Moira's tourism offer <ul style="list-style-type: none"> Community Satisfaction Survey 	63	Council's performance is similar to results achieved in 2015.
Build community and investor confidence in Council's land use planning <ul style="list-style-type: none"> Community Satisfaction Survey 	52	Council's performance is similar to results achieved in 2015.

Major initiatives

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

Major Initiatives	Progress
The major review of Council's Municipal Strategic Statement will commence in 2015 (\$Nil net cost).	The Municipal Strategic Statement review is underway.
Involve industry and community in the improvement of customer-focused planning and building service delivery (\$nil net cost)	A service improvement program has achieved significant streamlining of Council's planning and building procedures.

Services

The following statement provides information in relation to the services funded in the 2015-16 budget and the persons or sections of the community who are provided the service.

Service Areas	Description of Services provided	Net Cost Actual Budget
		----- Variance \$'000
Building services	This service provides statutory building services to the Moira Shire community including processing of building permits, emergency management responsibilities, fire safety inspections, audits of swimming pool barriers and investigations of complaints and illegal works.	131 295 <hr/> 164
Economic development	This service supports the attraction, growth and innovation of existing and prospective businesses across the Shire. Council provided a wide range of training and development opportunities for local business including specialist forums focusing on marketing, recruitment, export development, social media for business, e-commerce and compliance with Australian fire safety standards for new developments.	500 837 <hr/> 337
Statutory planning	This service 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, urban development, economic and social issues affecting Council. It also processes all planning applications, provides advice and makes decisions about development proposals that require a planning permit, as well as representing Council at the Victorian Civil and Administrative Tribunal where necessary.	673 876 <hr/> 203
Tourism	This service provides support to the business plans of local tourism associations, and plans for future tourism opportunities and infrastructure needs. The service provides contributions to tourism marketing including Murray Regional Tourism.	1,101 941 <hr/> (160)

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		Material Variations
	2015	2016	
Statutory Planning Timeliness Time taken to decide planning applications <i>[The median number of days between receipt of a planning application and a decision on the application]</i>	59.00	62.00	Council received a number of complex and controversial planning applications that required extended public consultation before being brought to Council.
Service standard Planning applications decided within 60 days <i>[Number of planning application decisions made within 60 days / Number of planning application decisions made] x100</i>	51.77%	59.00%	Improved internal procedures increased the proportion of applications processed within 60 days.
Service cost Cost of statutory planning service <i>[Direct cost of statutory planning service / Number of planning applications received]</i>	\$2,401.90	\$2,382.68	No material variation
Decision making Council planning decisions upheld at VCAT <i>[Number of VCAT decisions that did not set aside Council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100</i>	100.00%	100.00%	Two appeals were lodged at VCAT

Strategic objective 4: Smarter delivery of Service and programs

Strategic indicators

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

Strategic Indicator/measure	Result	Comments
Consistently deliver high quality Customer service across all platforms (online, phone and in person) • <i>Community Satisfaction Survey</i>	67	
Moir is a great place to work • <i>Staff turnover</i>	10%	
Moir is a safe place to work • <i>WorkCover Premium lower than the Average Industry Rate</i> • <i>No increase in number of Lost Time Injury claims</i> • <i>Ratio of OHS near misses to reported incidents 1:1</i>	Achieved Achieved 1.14	

Major initiatives

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

Major Initiatives	Progress
Develop first stage of 3 year customer service excellence strategy	A customer service improvement program commenced focusing on increased use of systems to support request recording, response, measurement and reporting.

Services

The following statement provides information in relation to the services funded in the 2015-16 budget and the persons or sections of the community who are provided the service.

Service Areas	Description of Services provided	Net Cost Actual Budget
		----- Variance \$'000
Customer service	This service is the main customer interface with the community and includes customer service delivered by phone and from centres in Cobram and Yarrawonga, agency services in eight other local centres and online through Council's website and social media platforms.	463 573 <hr/> 110
Information services	This service provides, supports and maintains reliable and cost effective communications and computing systems, facilities and infrastructure to Council staff enabling them to deliver services in a smart, productive and efficient way. The service links more than 20 service centres, depots and transfer stations and enables remote service delivery including home visit services.	2,476 2,945 <hr/> 469
Organisational development	This service provides Council with strategic and operational organisational development support including occupational health and safety obligations. The service develops and implements strategies, policies and procedures through the provision of human resources and industrial relations services. The service also assists managers to determine and progress toward future structures, capability and cultures in their service units.	1,387 1,472 <hr/> 85

Strategic objective 5: Deliver sound financial management

Strategic indicators

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

Strategic Indicator/measure	Result	Comments
Meet the community's needs in a financially sustainable manner		
<ul style="list-style-type: none"> Performance against VAGO indicators Unqualified audit opinions 	<p>Achieved</p> <p>Achieved</p>	

Services

The following statement provides information in relation to the services funded in the 2015-16 budget and the persons or sections of the community who are provided the service.

Service Areas	Description of Services provided	Net Cost Actual Budget ----- Variance \$'000
Financial services	This service provides financial based services to both internal and external customers including the management of Council's finances, payment of salaries and wages to Council employees, procurement and contracting of services, raising and collection of rates and charges and valuation of properties throughout the municipality. The income in this service area is driven by the collection of rates, fees and charges and the receipt of government grants.	(20,088) <u>(21,930)</u> (1842)

Strategic objective 6: Involving and communicating with our community

Strategic indicators

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

Strategic Indicator/measure	Result	Comments
Support community lead planning and change <i>Community Satisfaction Survey</i>	53	Improved

Services

The following statement provides information in relation to the services funded in the 2015-16 budget and the persons or sections of the community who are provided the service.

Service Areas	Description of Services provided	Net Cost Actual Budget ----- Variance \$'000
Communications	This service is responsible for the management and provision of advice on external and internal communication, in consultation with relevant stakeholders, on behalf of Council.	168 295 ----- 127
Community development	This service is responsible for working with the community, stakeholders and partner agencies to develop long term community plans that inform Council's land use planning, asset management, service delivery and investment decision-making across the Shire.	1,142 1,243 ----- 101

Strategic objective 7: Demonstrating good governance

Strategic indicators

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

Strategic Indicator/measure	Result	Comments
Ensure governance and decision making framework meets legislative requirements and community needs <ul style="list-style-type: none"> • <i>Legislative compliance</i> • <i>Meet audit and risk requirements</i> • <i>Community satisfaction</i> 	Achieved Achieved 51	Community satisfaction is unchanged from last year
Manage business risks to appropriately safeguard our assets, our community, and our business operations <ul style="list-style-type: none"> • <i>Legislative and procedural compliance</i> 	Achieved	
Ensure compliance with relevant legislation, regulation and standards <ul style="list-style-type: none"> • <i>No adverse findings or reports from regulatory agencies</i> • <i>No breaches of legislation, regulations or Standards</i> 	Achieved Achieved	

Services

The following statement provides information in relation to the services funded in the 2015-16 budget and the persons or sections of the community who are provided the service.

Service Areas	Description of Services provided	Net Cost Actual Budget -----
		Variance \$'000
Governance and compliance	This includes Councillor entitlements along with the costs of ensuring we comply with the governance obligations under the Local Government Act and other legislation.	<div>960</div> <div>1,368</div> <hr/> <div>408</div>
Commercial Services	This service is responsible for the maintenance, management and strategic planning for Council's building, land and property leases and licenses.	<div>191</div> <div>134</div> <hr/> <div>(57)</div>

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		
	2015	2016	Material Variations
Governance Transparency Council resolutions at meetings closed to the public <i>[Number of council resolutions made at ordinary or special meetings of council, or at meetings of a special committee consisting only of councillors, closed to the public / Number of council resolutions made at ordinary or special meetings of council or at meetings of a special committee consisting only of councillors] x100</i>	24.43%	27.87%	Council made fewer decisions in closed session however the total number of decisions reduced by an even greater proportion.
Consultation and engagement Satisfaction with community consultation and engagement <i>[Community satisfaction rating out of 100 with how council has performed on community consultation and engagement]</i>	52.00	51.00	No material variation
Attendance Council attendance at council meetings <i>[The sum of the number of councillors who attended each ordinary and special council meeting / (Number of ordinary and special council meetings) x (Number of councillors elected at the last council general election)] x100</i>	95.56%	89.58%	No material variation
Service cost Cost of governance <i>[Direct cost of the governance service / Number of councillors elected at the last council general election]</i>	\$44,227.89	\$40,433.78	2014/15 data has been restated to accurately reflect service cost.
Satisfaction 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]</i>	51	51	No material variation

Strategic objective 8: Rebalancing Council's asset mix

Strategic indicators

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

Strategic Indicator/measure	Result	Comments
Sustainably meet the community's asset needs <ul style="list-style-type: none"> VAGO Indicators 	Achieved	

Major initiatives

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

Major Initiatives	Progress
Deliver capital works to budget and schedule	Council's 2015/16 adopted budget included \$11.57 capital works program. This program increased to \$14.1 million as a result of increased Roads to Recovery Grants funding provided during the reporting period. At 30 June Council had delivered 84% of the adopted budget program with \$1.8 million of works committed and a further \$1.8 million integrated into the 2016/17 program delivery.

Service performance indicators

The following statement provides information in relation to the services funded in the 2015-16 budget and the persons or sections of the community who are provided the service.

Service Areas	Description of Services provided	Net Cost Actual Budget
		----- Variance \$'000
Civic Buildings	This service oversees repairs and maintenance of Council's more than 570 buildings that range from small pump sheds to historical and aging halls and community buildings and recreation facilities. Costs include contributions to local Committees of Management, utilities and repairs and maintenance.	680 704 ----- 24
Council assets	Council operates and maintains a range of 'other' assets including pumps and basins. This category also includes the costs of insurance for council buildings, plant and other assets.	859 1,527 ----- 668
Engineering design and management	This service undertakes design, tendering, contract management and supervision of various works within Council's capital works program. The service also approves and supervises private development activities such as subdivisions and infrastructure associated with buildings and unit developments.	708 932 ----- 225
Infrastructure planning	This service conducts capital works planning for Council's main civil infrastructure assets in an integrated and prioritised manner in order to optimise their strategic value and service potential. These include roads, laneways, car parks, foot/bike paths, drains and bridges. Council completed design and planning requirements for all infrastructure works and projects.	4,647 6,848 ----- 2,201

Governance, management and other information

Governance

The Moira 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 meetings and public forums and the ability to make submissions to Council.

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

Meetings of Council

Council held 11 Ordinary Council meetings, generally on the fourth Monday of each month, and with Special Council meetings held when required. 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 2015-16 year council held the following meetings:

- 11 ordinary council meetings
- 4 special council meetings.

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

Councillors	Council Meeting	Special Council Meeting	Total
Cr Gary Cleveland (Mayor)	11	4	15
Cr Ed Cox (Deputy Mayor)	10	4	14
Cr Marie Martin	11	3	14
Cr Peter Mansfield	10	4	14
Cr Kevin Bourke	11	4	15
Cr Wendy Buck	7	4	11
Cr Brian Keenan	8	2	10
Cr Alex Monk	11	3	14
Cr Don McPhee	10	4	14

Special Committees

The Local Government Act 1989 allows councils to establish one or more special committees consisting of:

- Councillors
- Council staff
- Other persons
- Any combination of the above.

The following table contains a list of all special committees established by Council as defined in the Local Government Act 1989 section 86, in operation during the reporting period.

Special Committee	Councillor	Officer	User Groups / Community Representatives		<i>Purpose - To exercise Council's functions and powers and to perform Council's duties in relation to the management of</i>
			Positions Available	Number Appointed	
Baulkamaugh Recreation Reserve Committee of Management	1	1	12	10	Baulkamaugh Recreation Reserve
Bearii Recreation Reserve Committee of Management	1	1	11	3	Bearii Recreation Reserve
Bundalong Dan Cronin Recreation Reserve and Public Hall Committee of Management	1	1	9	7	Bundalong Dan Cronin Recreation Reserve and Public Hall
Cobram Historical Precinct Committee of Management	1	1	12	12	Cobram Historical Precinct
Cobram Scott Reserve Committee of Management	1	1	15	13	Cobram Scott Reserve
Cobram Showgrounds Apex Reserve Committee of Management	1	1	7	7	Cobram Showgrounds Apex Reserve
Floridan Park Recreation Reserve Committee of Management	1	1	8	8	Floridan Park Recreation Reserve
Invergordon Recreation Reserve and Community Hall Committee of Management	1	1	15	13	Invergordon Recreation Reserve and Community Hall
Katamatite Public Hall Committee of Management	1	1	12	10	Katamatite Public Hall
Katamatite Recreation Reserve Committee of Management	1	1	11	11	Katamatite Recreation Reserve
Katunga Recreation Reserve and Community Centre Committee of Management	1	1	8	8	Katunga Recreation Reserve and Community Centre
Koonoomoo Recreation Reserve Committee of Management	1	1	14	13	Koonoomoo Recreation Reserve
Lake Rowan Hall Committee of Management	1	1	10	8	Lake Rowan Hall
Nathalia Historical Precinct Committee of Management	1	1	11	6	Nathalia Historical Precinct
Nathalia Showgrounds and Recreation Reserve Committee of Management	1	1	20	15	Nathalia Showgrounds and Recreation Reserve

Numurkah Showgrounds Reserve Committee of Management	1	1	12	11	Numurkah Showgrounds Reserve
Numurkah Town Hall Committee of Management	1	1	8	7	Numurkah Town Hall
Picola Public Hall Committee of Management	1	1	14	9	Picola Public Hall
Picola Recreation Reserve Committee of Management	1	1	14	14	Picola Recreation Reserve
St James Public Hall Committee of Management	1	1	14	11	St James Public Hall
St James Recreation Reserve Committee of Management	1	1	9	9	St James Recreation Reserve
Strathmerton Public Hall Committee of Management	1	1	10	9	Strathmerton Public Hall
Strathmerton Recreation Reserve Committee of Management	1	1	13	13	Strathmerton Recreation Reserve
Tungamah Court House Committee of Management	1	1	8	7	Tungamah Court House
Tungamah Jubilee Park Recreation Reserve Committee of Management	1	1	9	8	Tungamah Jubilee Park Recreation Reserve
Waaia Recreation Reserve Committee of Management	1	1	17	14	Waaia Recreation Reserve
Wilby Memorial Hall Committee of Management	1	1	9	6	Wilby Memorial Hall
Wilby Racecourse and Recreation Reserve Committee of Management	1	1	10	9	Wilby Racecourse and Recreation Reserve
Wunghnu Recreation Reserve Committee of Management	1	1	8	8	Wunghnu Recreation Reserve
Yalca North Recreation Reserve Committee of Management	1	1	12	11	Yalca North Recreation Reserve
Yarrawonga Eastern Foreshore Committee of Management	1	1	11	10	Yarrawonga Eastern Foreshore
Yarrawonga JC Lowe Oval Reserve Committee of Management	1	1	7	7	Yarrawonga JC Lowe Oval Reserve
Yarrawonga Showgrounds Reserve / Victoria Park Committee of Management	1	1	26	22	Yarrawonga Showgrounds Reserve / Victoria Park
Yarroweyah Memorial Hall Committee of Management	1	1	11	10	Yarroweyah Memorial Hall
Yarroweyah Recreation Reserve Committee of Management	1	1	8	3	Yarroweyah Recreation Reserve

Other committees

Council has established committees to assist Council in understanding specific interests and needs within the community. The committees are not decision-making bodies on behalf of Council but play a vital role in assisting more informed and inclusive decision making by Council.

Committee	Councillor
Moira Shire Cultural Diversity Advisory Committee	1
Tourism Advisory Committee	1
Moira Shire Disability Advisory Committee	1
Moira Shire Environment Advisory Committee	1
Moira Shire Youth Council	3
Moira Shire Kinnairds Wetland Advisory Committee	1
Moira Shire Local Safety Committee	2
Moira Shire Municipal Public Health and Wellbeing Plan Advisory Committee	1
Moira Shire Council Audit Committee	3
RV Friendly Working group	1
Numurkah Flood Study Community Reference Group	1

Code of Conduct

The Act requires councils to develop and approve a councillor Code of Conduct within 12 months after each general election. On 20 June 2016, 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 Committee meetings.

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 2015–16, 10 conflicts of interest were declared at Council and Special Committee meetings.

Councillor Allowances

In accordance with Section 74 of the Local Government Act 1989, 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 Moira Shire Council is recognised as a category two council.

For the period 1 July 2015 to 30 November 2015, the councillor annual allowance for a category 2 council (as defined by the Local Government Act 1989) was fixed at \$23,539 per annum and the allowance for the mayor was \$72,834 per annum. The Minister for Local Government approved an annual adjustment of 2.5 per cent to take effect as from 1 December 2015. The annual allowances were adjusted for the period 1 December 2015 to 30 June 2016 at \$24,127 per annum for the councillor allowance and \$74,655 per annum for the mayoral allowance.

The following table contains a summary of the allowances paid to each councillor during the year and the portion of the year an individual Councillor was Mayor.

Councillors	Allowance \$
Cr Gary Cleveland (Mayor 2015-16)	62,025
Cr Marie Martin (Mayor 2014-15)	45,868
Cr Ed Cox	26,352
Cr Peter Mansfield	26,352
Cr Kevin Bourke	26,352
Cr Wendy Buck	26,352
Cr Brian Keenan	26,352
Cr Alex Monk	26,352
Cr Don McPhee	26,352

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 the council. The details of the expenses including reimbursement of expenses for each councillor and member of a council committee paid by the council for the 2015-16 year are set out in the following table.

Councillors	Travel \$	Car Mileage \$	Child care \$	Information & Comms expenses \$	Conferences & Training \$	Total \$
Cr Gary Cleveland (Mayor 2015-16)	9,160			1,019	1,548	11,727
Cr Marie Martin (Mayor 2014-15)	7,251			1,873	9,432	18,556
Cr Ed Cox				943	810	1,753
Cr Peter Mansfield	2,538			436	1,654	4,628
Cr Kevin Bourke	3,920			436	3,035	7,391
Cr Wendy Buck	6,196			846	1,548	8,590
Cr Brian Keenan	2,007			984	259	3,250
Cr Alex Monk	3,731			1,308	71	5,110
Cr Don McPhee	3,174			916	1,217	5,307

Management

Council has implemented a number of statutory and better practice items to strengthen its management framework. Having strong governance and management frameworks lead 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, Ms Julie Guest (Chair), Ms Elizabeth Stronge and Mr Shaun Quinn and two appointed Councillors, Cr Alex Monk and Cr Ed Cox. As Mayor, Cr Gary Cleveland is an ex-officio member of the Audit Committee.

Independent members are appointed for a three-year term, with a maximum of two terms. The chair is elected from among the independent members. During 2015-16 Ms Elizabeth Stronge and Mr Shaun Quinn were appointed to the Audit Committee.

The Audit Committee met five times during 2015-16. The Internal Auditor, Chief Executive Officer, General Manager Corporate and Manager Finance and Manager Commercial Services attend all meetings. Other management representatives attend as required to present reports. The external auditors attend as required each year to present the external audit plan, management letter and independent audit reports.

Recommendations from each Audit Committee meeting are subsequently reported to, and considered by Council.

Internal Audit

Council's internal audit function provides independent and objective assurance that the appropriate processes and controls are in place across Council. In April 2016 Council appointed AFS Chartered Accountants to provide internal audit services to Council for a period of four years.

In line with the Internal Audit program for 2015-16 the following reviews were conducted:

- Long Term Financial Plan;
- IT Systems and Security;
- Accounts Payable & Procurement
- Payroll

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 internal auditor attends each Audit Committee meeting to provide independent risk and financial commentary and to present findings of completed reviews.

All audit issues identified are risk rated and recommendations for improvement are assigned to the responsible manager and tracked in Council's risk register and performance management system. Managers provide quarterly status updates that are reviewed by the Corporate Management Team and reported to the Audit Committee and Council.

External Audit

Council is externally audited by the Victorian Auditor-General with the external audit of Council's Financial Statements and Performance Statement conducted by the Victorian Auditor-General's representative. The external auditors attend as required 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 February 2012, Council adopted the Risk Management Policy and the Risk Management Plan in June 2013 in line with current best practice in the management of business enterprise risks and current AS/NZS 31000 guidelines. The Risk Management Framework and Policy addresses items such as:

- risk management culture, communication and training;
- best practice in risk management;
- responsibilities of and to internal and external stakeholders;
- risk registers and risk management software development;
- the Council planning cycle, budget cycle and annual audit cycle;
- a performance measurement system to determine the effectiveness of the framework.
- A review of the Risk Management Policy and Risk Management Plan commence

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)	Communication Engagement Strategy Adopted June 2007, amended September 2011 Review underway
2. Community engagement guidelines (guidelines to assist staff to determine when and how to engage with the community)	Communication Engagement Strategy Adopted June 2007, amended September 2011 Review underway
3. Strategic Resource Plan (plan under section 126 of the Act outlining the financial and non-financial resources required for at least the next 4 financial years)	Adopted in accordance with Section 126 of the Act Date of Adoption : 20 June 2016
4. Annual budget (plan under section 130 of the Act setting out the services to be provided and initiatives to be undertaken over the next 12 months and the funding and other resources required)	Adopted in accordance with section 130 of the Act Date of Adoption: 20 June 2016
5. Asset management plans (plans that set out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)	Plans Date of operation of current plans: 17 August 2009
6. Rating strategy (strategy setting out the rating structure of Council to levy rates and charges)	No strategy Strategy currently being reviewed
7. Risk policy (policy outlining Council's commitment and approach to minimising the risks to Council's operations)	Policy Date of operation of current policy: 20 February 2012
8. Fraud policy (policy outlining council's commitment and approach to minimising the risk of fraud)	Policy Date of operation of current policy: 17 September 2012
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: 25 May 2015

10. Procurement policy (Policy under section 186A of the Act 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: 22 June 2015
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)	Plan 10 August 2010
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 operation of the current plan: December 2014
13. Risk management framework (framework outlining council's approach to managing risks to the Council's operations)	Framework Date of operation of current framework 25 June 2013
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 Act Date of establishment: March 1997
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 12 April 2016
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: 20 June 2016
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)	Report Date of report: 22 February 2016
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 Date statements presented: 23 Nov 2015, 22 Feb 2016, 26 Apr 2016

19. Risk reporting (six-monthly reports of strategic risks to council's operations, their likelihood and consequences of occurring and risk minimisation strategies)	Reports: 29 October 2015 11 February 2016 12 May 2016
20. Performance reporting (six-monthly reports of indicators measuring the results against financial and non-financial performance, including performance indicators referred to in section 131 of the Act)	Revised Performance Reporting Policy and framework adopted 20 June 2016 which forms basis for future reporting
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 and performance statements)	Considered at meeting of Council in accordance with section 134 of the Act. Date considered: 26 October 2015
22. Councillor Code of Conduct (Code under section 76C of the Act setting out the conduct principles and the dispute resolution processes to be followed by Councillors)	Reviewed in accordance with section 98(6) of the Act Date of review: 20 June 2016
23. Delegations (a document setting out the powers, duties and functions of council and the Chief Executive Officer that have been delegated to members of staff)	Reviewed in accordance with section 98(6) of the Act Date of review: 18 February 2013 Instruments updated: 26 October 2015
24. Meeting procedures (a local law governing the conduct of meetings of council and special committees)	Meeting procedures local law made in accordance with section 91(1) of the Act Date local law made: 21 July 2008 Review underway.

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



Mark Henderson

Chief Executive Officer

Dated: 13 September 2016



Cr Gary Cleveland

Mayor

Dated: 13 September 2016

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 Part 5 of the Local Government (General) Regulations 2004 the following is a list of the prescribed documents that are available for inspection or copies of the documents can be obtained for the purposes of section 222 of the Local Government Act 1989 at the Moira Shire Council Office, 44 Station Street, Cobram, with some also accessible via Council's website.

- 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 councillor or any member of council staff in the previous 12 months
- 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
- 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

Council incorporates best value principles through regular business planning and performance monitoring processes and through a commitment to continuous improvement.

During 2015-16 Council

- Reviewed and updated its Procurement Policy.
- More than 100 initiatives were reviewed through Council's project assessment process to ensure best value principles apply to all new initiatives, events and projects.
- Commenced service reviews to ensure the range and quality of Council services meet community expectations and are sustainable.

Carers Recognition

In accordance with the Carers Recognition Act 2012, council is required to report annually on its care measurement obligations under Section 11 of that Act. Council has taken all practicable measures to comply with its responsibilities outlined in the Carers Recognition Act 2012.

Contracts

During the year council did not enter into any contracts valued at \$150,000 or more without first 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 the Disability Action Plan in its annual report.

During 2015-16 Council continued to meet the actions identified in the plan including:

- Portable hearing augmentation systems for customer service areas and large meetings
- Staff awareness training through accessibility challenge
- Upgrade of Numurkah Toilets to make accessible
- Increased attendance by community members, in particular school students at Disability Advisory Committee meetings
- Engagement with primary school students through modified sports program to promote inclusive communities
- Introduction of internal staff training and induction program
- Community consultation for development of new draft action plan.

Domestic Animal Management Plan

In accordance with the Domestic Animals Act 1994, council is required to prepare a Domestic Animal Management Plan at four yearly intervals and evaluate its implementation in the annual report.

Food Act Ministerial Directions

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

No such Ministerial Directions were received by Council during the financial year.

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 FOI can be found at www.foi.vic.gov.au and on the Moira Shire Council website.

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. Procedures on how to make a disclosure are publicly available from Council's website.

Under Moira Shire Council's procedures, individuals are encouraged to make disclosures directly to IBAC. IBAC then determines whether the disclosure comes under the scope of the Act and may commence investigation of the matter at which point Council may be advised of a disclosure. If the matters do not meet the scope of Act the individual may be advised to raise the matter under alternative workplace provisions.

During the reporting period IBAC did not advise Council of any protected disclosures.

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 financial year.

Performance Statement



Description of municipality

Moira Shire is located in the Hume region of Victoria and stretches across 4,045 square kilometres from Bundalong in the east to the Barmah National Park to the west. The Shire's northern boundary is defined by the Murray River and the south-west, southern and south east regions share boundaries with the municipalities of Campaspe, Greater Shepparton, Benalla, Wangaratta and Indigo. Moira is centrally located to the regional cities of Shepparton, Wangaratta and Albury-Wodonga.

Moira includes four major towns; Cobram, Nathalia, Numurkah and Yarrawonga and 17 smaller communities with a total population of 28,820 residents.

Moira's population median age is 44 years, which is higher than the state and national median of 37 years. In June 2013, there were 11,832 local jobs in Moira Shire, with 12,934 employed residents.

Food processing, principally dairy products and meat processing is the largest sector based on output in the Moira Shire. Food processing also includes significant output in oils and fats, fruit and vegetable products, wine and other food products. A total of 3,128 businesses were registered in the Shire across all industries.

Agricultural land use accounts for approximately 71% of the total land area, and is currently divided equally between irrigated and dryland production.

The Moira Shire community is serviced by local hospitals in each of the major towns along with a wide range of medical and allied health service providers.

Sustainable Capacity Indicators

For the year ended 30 June 2016

Indicator/measure	Results		Material Variations
	2015	2016	
Population			
<i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$1,919.43	\$1741.36	No material variations
<i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$13,563.33	\$14,039.52	No material variations
<i>Population density per length of road</i> [Municipal population / Kilometres of local roads]	7.89	7.89	No material variations
Own-source revenue			
<i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$1,267.89	\$1,347.09	No material variations
Recurrent grants			
<i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$609.14	\$384.11	The impact from receiving 50% of 2015/16 Financial Assistance Grant in the 2014/15 financial year
Disadvantage			
<i>Relative socio-economic disadvantage</i> [Index of Relative Socio-economic Disadvantage by decile]	2.00	2.00	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 above

"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 2016

Service/indicator/measure	Results		Material Variations
	2015	2016	
AQUATIC FACILITIES			
Utilisation			
Utilisation of aquatic facilities [Number of visits to aquatic facilities / Municipal population]	2.50	2.76	The outdoor pool season was extended at Cobram and Yarrawonga due to a blue green algae outbreak in local rivers and waterways in 2015/16. An additional 1129 attendances were recorded during this period.
ANIMAL MANAGEMENT			
Health and safety			
Animal management prosecutions [Number of successful animal management prosecutions]	0.00	0.00	Nil animal management prosecutions commenced during the reporting period.
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] x100	100.00%	100.00%	No material variations
GOVERNANCE			
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]	51.00	51.00	No material variations
HOME AND COMMUNITY CARE			
Participation			
Participation in HACC service [Number of people that received a HACC service / Municipal target population for HACC services] x100	33.45%	N/A	Council outsources the provision of HACC services to a third party. Council does not have operational control over the service provided by the third party. Council is therefore not operationally involved in the provision of HACC services. This was the case for the 2014-15 financial year and the 2014-15 financial year result should have been N/A
Participation in HACC service by CALD people [Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x100	21.47%	N/A	

Results			
Service/indicator/measure	2015	2016	Material Variations
LIBRARIES			
Participation			
Active library members [Number of active library members / Municipal population] x100	18.83%	17.11%	No material variations
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] x100	84.77%	-	At time of reporting implementation of new MCH IT system is not complete and 2016 data is not available.
Participation Participation in the MCH service by Aboriginal children [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	79.31%	-	At time of reporting implementation of new MCH IT system is not complete and 2016 data is not available.
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]	49.00	52.00	No material variations
STATUTORY PLANNING			
Decision making			
Council planning decisions upheld at VCAT [Number of VCAT decisions that did not set aside council’s decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	100.00%	100.00%	Two appeals were lodged at VCAT.
WASTE COLLECTION			
Waste diversion			
Kerbside collection waste diverted from landfill [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	47.33%	54.27%	The 2016 results reflect the first full year of operation of the organic kerbside collection service.

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 authorized officer under that Act, of a deficiency that poses an immediate serious threat to public health

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

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

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

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

"major non-compliance outcome notification" means a notification received by a council under section 19N(3) or (4) of the *Food Act 1984*, or advice given to council by an authorized officer under that Act, of a deficiency that does not pose an immediate serious threat to public health but may do so if no remedial action is taken

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

"population" means the resident population estimated by council

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

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

Financial Performance Indicators

For the year ended 30 June 2016

Dimension/ <i>indicator/measure</i>	Results			Forecasts			Material Variations
	2015	2016	2017	2018	2019	2020	
EFFICIENCY							
Revenue level							
Average residential rate per residential property assessment [Residential rate revenue / Number of residential property assessments]	\$1,734.52	\$1,824.22	\$1,897.01	\$1,958.06	\$1,998.84	\$2,040.57	No material variations
Expenditure level							
Expenses per property assessment [Total expenses / Number of property assessments]	\$3,147.53	\$2,879.87	\$3,064.00	\$3,130.39	\$3,197.57	\$3,263.02	No material variations
Workforce turnover							
Resignations and terminations compared to average staff [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	12.26%	10.10%	9.59%	9.48%	9.48%	9.48%	No material variations
LIQUIDITY							
Working capital							
Current assets compared to current liabilities [Current assets / Current liabilities] x100	331.60%	334.10%	230.55%	198.40%	197.00%	179.00%	No material variations

Dimension/ <i>indicator/measure</i>	Results		Forecasts				Material Variations
	2015	2016	2017	2018	2019	2020	
Unrestricted cash							
<i>Unrestricted cash compared to current liabilities</i>	237.26%	252.29%	130.25%	104.17%	101.70%	81.82%	No material variations
[Unrestricted cash / Current liabilities] x100							
OBLIGATIONS							
Asset renewal							
<i>Asset renewal compared to depreciation</i>	65.14%	67.24%	99.90%	71.46%	71.02%	67.22%	No material variations
[Asset renewal expenses / Asset depreciation] x100							
Loans and borrowings							
<i>Loans and borrowings compared to rates</i>	20.67%	16.83%	13.50%	10.13%	6.80%	3.97%	Variance driven by planned annual reduction of loans and borrowings
[Interest bearing loans and borrowings / Rate revenue] x100							
Loans and borrowings							
<i>Loans and borrowings repayments compared to rates</i>	4.53%	4.46%	3.97%	3.85%	3.77%	3.11%	No material variations
[Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100							
Indebtedness							
<i>Non-current liabilities compared to own source revenue</i>	42.66%	40.23%	36.01%	32.76%	30.48%	29.26%	No material variations
[Non-current liabilities / Own source revenue] x100							

Dimension/ <i>indicator/measure</i>	Results		Forecasts				Material Variations
	2015	2016	2017	2018	2019	2020	
OPERATING POSITION							
Adjusted underlying result	-0.87%	0.20%	3.86%	-0.55%	1.69%	-0.58%	
<i>Adjusted underlying surplus (or deficit)</i>							Impact of 50% of 2015/16 Financial Assistance Grant being received in 2014/15 financial year
[Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100							
STABILITY							
Rates concentration							
<i>Rates compared to adjusted underlying revenue</i>	57.05%	66.26%	62.00%	65.50%	64.00%	65.51%	Impact of 50% of 2015/16 Financial Assistance Grant being received in 2014/15 financial year.
[Rate revenue / Adjusted underlying revenue] x100							
Rates effort							
<i>Rates compared to property values</i>	0.62%	0.66%	0.69%	0.70%	0.71%	0.72%	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

"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 2016

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 28 June 2016 and which forms part of the council plan. The strategic resource plan includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General Purpose Financial Statements. The strategic resource plan can be obtained by contacting council.

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*.



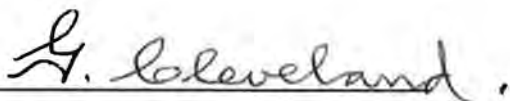
Simon Rennie ASA
Principal Accounting Officer
Dated: 13 September 2016

In our opinion, the accompanying performance statement of the Moira Shire Council for the year ended 30 June 2016 presents fairly the results of council's performance in accordance with the *Local Government Act 1989* and the *Local Government (Planning and Reporting) Regulations 2014*.

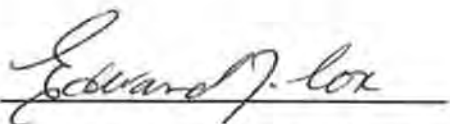
The performance statement contains the relevant performance indicators, measures and results in relation to service performance, financial performance and sustainable capacity.

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

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



Councillor Gary Cleveland - Mayor
Councillor
Dated: 13 September 2016



Councillor Ed Cox – Deputy Mayor
Councillor
Dated: 13 September 2016



Mark Henderson
Chief Executive Officer
Dated: 13 September 2016



Victorian Auditor-General's Office

Level 24, 35 Collins Street
Melbourne VIC 3000
Telephone 61 3 8601 7000
Facsimile 61 3 8601 7010
Email comments@audit.vic.gov.au
Website www.audit.vic.gov.au

INDEPENDENT AUDITOR'S REPORT

To the Councillors, Moira Shire Council

The Performance Statement

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

The Councillors' Responsibility for the Performance Statement

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the performance statement. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the performance statement, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the performance statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the overall presentation of the performance statement.

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

Independent Auditor's Report (continued)


Independence

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

Auditor's Opinion

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

MELBOURNE
15 September 2016


Dr Peter Frost
Acting Auditor-General

Financial Report



Moir Shire Council

Financial Report

Table of Contents

FINANCIAL REPORT	Page
Financial Statements	
Comprehensive Income Statement	67
Balance Sheet	68
Statement of Changes in Equity	69
Statement of Cash Flows	70
Statement of Capital Works	71
Notes to Financial Statements	
Introduction	72
Note 1 Significant accounting policies	72
Note 2 Budget comparison	79
Note 3 Rates and charges	83
Note 4 Statutory fees and fines	83
Note 5 User fees	83
Note 6 Grants	83
Note 7 Contributions	84
Note 8 Net gain / (loss) on disposal of property, infrastructure, plant and equipment	84
Note 9 Other income	85
Note 10 Employee costs	85
Note 11 Materials and services	85
Note 12 Bad and doubtful debts	86
Note 13 Depreciation and amortisation	86
Note 14 Borrowing costs	86
Note 15 Other expenses	86
Note 16 Investments in associates	86
Note 17 Cash and cash equivalents	88
Note 18 Trade and other receivables	88
Note 19 Other financial assets	88
Note 20 Inventories	89
Note 21 Non current assets classified as held for sale	89
Note 22 Other assets	89
Note 23 Property, infrastructure, plant and equipment	90
Note 24 Investment property	96
Note 25 Intangible assets	96
Note 26 Trade and other payables	96
Note 27 Trust funds and deposits	96
Note 28 Provisions	96
Note 29 Interest bearing loans and borrowings	97
Note 29(a) Non-interest bearing loans and borrowings	97
Note 30 Reserves	98
Note 31 Reconciliation of cash flows from operating activities to surplus/(deficit)	99
Note 32 Financing arrangements	99
Note 33 Commitments	100
Note 34 Operating leases	101
Note 35 Superannuation	101
Note 36 Contingent liabilities and contingent assets	102
Note 37 Financial instruments	103
Note 38 Related party transactions	105
Note 39 Events occurring after balance date	105
 Certification of the Financial Statements	 106

Comprehensive Income Statement For the Year Ended 30 June 2016

	Note	2016 \$'000	2015 \$'000
Income			
Rates and charges	3	33,153	31,138
Statutory fees and fines	4	1,036	1,093
User fees	5	2,598	2,481
Grants - operating	6	6,131	16,383
Grants - capital	6	5,600	4,786
Contributions - monetary	7	277	418
Contributions - non monetary	7	1,750	1,709
Share of net profit of associates	16	18	57
Other income	9	2,018	1,690
Total income		52,581	59,755
Expenses			
Employee costs	10	18,965	18,401
Materials and services	11	20,203	21,871
Bad and doubtful debts	12	38	-
Depreciation and amortisation	13	9,546	8,274
Borrowing costs	14	463	527
Net loss on disposal of property, infrastructure, plant and equipment	8	252	5,548
Other expenses	15	719	626
Total expenses		50,186	55,247
Surplus/(deficit) for the year		2,395	4,508
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation increment	30	23,432	6,741
Total comprehensive result		25,827	11,249

The above comprehensive income statement should be read in conjunction with the accompanying notes set out on pages 72 to 105.

Balance Sheet
As at 30 June 2016

	Note	2016 \$'000	2015 \$'000
Assets			
Current assets			
Cash and cash equivalents	17	8,717	16,258
Trade and other receivables	18	3,245	3,479
Other financial assets	19	16,000	8,020
Inventories	20	549	592
Non-current assets classified as held for sale	21	-	373
Other assets	22	268	246
Total current assets		28,779	28,968
Non-current assets			
Investments in associates	16	725	707
Property, infrastructure, plant and equipment	23	525,046	499,545
Intangible assets	25	1,319	1,020
Total non-current assets		527,090	501,272
Total assets		555,869	530,240
Liabilities			
Current liabilities			
Trade and other payables	26	2,271	1,790
Trust funds and deposits	27	1,286	1,307
Provisions	28	4,091	4,684
Interest-bearing loans and borrowings	29	966	892
Non interest-bearing loans and borrowings	29(a)	-	60
Total current liabilities		8,614	8,733
Non-current liabilities			
Provisions	28	10,902	9,956
Interest-bearing loans and borrowings	29	4,614	5,579
Non interest-bearing loans and borrowings	29(a)	-	60
Total non-current liabilities		15,516	15,595
Total liabilities		24,130	24,328
Net assets		531,739	505,912
Equity			
Accumulated surplus		178,131	175,944
Reserves	30	353,608	329,968
Total Equity		531,739	505,912

The above balance sheet should be read in conjunction with the accompanying notes set out on pages 72 to 105.

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

	Note	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserves \$'000	Other Reserves \$'000
2016					
Balance at beginning of the financial year		505,912	175,944	328,630	1,338
Surplus/(deficit) for the year		2,395	2,395	-	-
Net asset revaluation increment/(decrement)	30(a)	23,432	-	23,432	-
Transfers to other reserves	30(b)	-	(361)	-	361
Transfers from other reserves	30(b)	-	153	-	(153)
Balance at end of the financial year		531,739	178,131	352,062	1,546

		Total \$'000	Accumulated Surplus \$'000	Revaluation Reserves \$'000	Other Reserves \$'000
2015					
Balance at beginning of the financial year		494,663	171,511	321,889	1,263
Surplus/(deficit) for the year		4,508	4,508	-	-
Net asset revaluation increment/(decrement)	30(a)	6,741	-	6,741	-
Transfers to other reserves	30(b)	-	(75)	-	75
Transfers from other reserves	30(b)	-	-	-	-
Balance at end of the financial year		505,912	175,944	328,630	1,338

The above statement of changes in equity should be read in conjunction with the accompanying notes set out on pages 72 to 105.

Statement of Cash Flows
For the Year Ended 30 June 2016

		2016 Inflows/ (Outflows) \$'000	2015 Inflows/ (Outflows) \$'000
	Note		
Cash flows from operating activities			
Rates and charges		33,247	30,928
Statutory fees and fines		1,040	1,083
User fees		2,857	2,931
Grants - operating		6,220	16,330
Grants - capital		5,692	4,693
Contributions - monetary		277	325
Interest received		600	529
Trust funds and deposits taken		3,926	460
Other receipts		753	1,190
Net GST (payment)/refund		(47)	1,900
Employee costs		(17,757)	(17,551)
Materials and services		(20,818)	(23,201)
Trust funds and deposits repaid		(3,947)	(186)
Other payments		(727)	(627)
Net cash provided by operating activities	31	11,316	18,804
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment	23	(9,722)	(7,778)
Proceeds from sale of property, infrastructure, plant and equipment		323	231
Net cash used in investing activities		(9,399)	(7,547)
Cash flows from financing activities			
Finance costs		(465)	(527)
Repayment of borrowings		(1,013)	(890)
Net cash used in financing activities		(1,478)	(1,417)
Net increase in cash and cash equivalents		439	9,840
Cash and cash equivalents at the beginning of the financial year		24,278	14,438
Cash and cash equivalents at the end of the financial year	17,19	24,717	24,278
	Note		
Financing arrangements	32		
Restrictions on cash assets	17		

The above statement of cash flow should be read in conjunction with the accompanying notes set out on pages 72 to 105.

**Statement of Capital Works
For the Year Ended 30 June 2016**

	Note	2016 \$'000	2015 \$'000
Property			
Land		-	54
Land improvements		535	521
Total land		<u>535</u>	<u>575</u>
 Buildings		 1,743	 867
Total buildings		<u>1,743</u>	<u>867</u>
 Total property		 <u>2,278</u>	 <u>1,442</u>
 Plant and equipment			
Plant, machinery and equipment		975	735
Total plant and equipment		<u>975</u>	<u>735</u>
 Infrastructure			
Roads		6,130	4,793
Bridges		26	-
Footpaths and cycleways		106	297
Drainage		189	509
Recreational, leisure and community facilities		18	-
Total infrastructure		<u>6,469</u>	<u>5,599</u>
 Total capital works expenditure		 <u>9,722</u>	 <u>7,776</u>
 Represented by:			
New asset expenditure		2,638	635
Asset renewal expenditure		6,419	5,388
Asset expansion expenditure		290	522
Asset upgrade expenditure		375	1,231
Total capital works expenditure		<u>9,722</u>	<u>7,776</u>

The above statement of capital works should be read in conjunction with the accompanying notes set out on pages 72 to 105.

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

Introduction

The Moira 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 44 Station Street, Cobram.

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 (m))
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 1 (n))
- the determination of employee provisions (refer to Note 1 (t))
- the determination of landfill provisions (refer to Note 1 (u))

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

(b) Changes in accounting policies

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

(c) Principles of consolidation

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

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

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

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

(d) Committees of management

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

Moira Shire has 36 Committees of Management under its control, these are:

Baulkamaugh Recreation Reserve and Community Hall
Bearii Recreation Reserve and Community Hall
Bundalong Dan Cronin Recreation Reserve and Public Hall
Cobram Scott Reserve
Floridan Park Recreation Reserve
Invergordon Recreation Reserve and Community Hall
Katamatite Recreation Reserve
Katunga Recreation Reserve and Community Centre
Koonoomoo Recreation Reserve

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

Note 1 Significant accounting policies (cont.)

(d) Committees of management (cont.)

Picola Recreation Reserve (including Narioka Recreation Reserve)
St James Recreation Reserve
Strathmerton Recreation Reserve
Tungamah Jubilee Park Recreation Reserve
Waaia Recreation Reserve
Wilby Racecourse and Recreation Reserve
Wunghnu Recreation Reserve
Yalca North Recreation Reserve
Yarrawonga Eastern Foreshore
Yarrawonga JC Lowe Oval Reserve
Yarroweyah Recreation Reserve
Cobram Showgrounds Apex Reserve
Nathalia Showgrounds and Recreation Reserve
Numurkah Showgrounds Reserve
Yarrawonga Showgrounds Reserve / Victoria Park
Burramine Hall
Katamatite Public Hall
Lake Rowan Hall
Numurkah Town Hall
Picola Public Hall
St James Public Hall
Strathmerton Public Hall
Wilby Memorial Hall
Yarroweyah Memorial Hall
Cobram Historical Precinct
Nathalia Historical Precinct
Tungamah Court House

(e) Accounting for investments in associates and joint arrangements

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.

Joint arrangements

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor has, rather than the legal structure of the joint arrangement.

Council does not have any joint operations or joint ventures.

(f) 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.

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

Note 1 Significant accounting policies (cont.)

(f) Revenue recognition (cont.)

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.

(g) 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.

(h) 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.

(i) Trade and other receivables

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

(j) 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.

(k) Inventories

Inventories held for distribution are measured at cost, adjusted when applicable for any loss of service potential. Inventories are measured at the lower of cost and net realisable value.

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

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

Note 1 Significant accounting policies (cont.)

(l) 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 to sell, 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.

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

Acquisition

The purchase method of accounting is used for all acquisitions of assets, being the fair value of assets provided as consideration at the date of acquisition plus any incidental costs attributable to the acquisition. Fair value is the amount for which the asset could be exchanged between knowledgeable willing parties in an arm's length transaction.

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

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

Revaluation

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

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use of an asset result in changes to the permissible or practical highest and best use of the asset. Further details regarding the fair value hierarchy are disclosed at Note 23 Property, infrastructure, plant and equipment.

In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from three to four years. The valuation is performed either by experienced council officers or independent experts.

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

Land under roads

Council recognises land under roads it controls at fair value, using the Englobo valuation method.

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

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

Where assets have separate identifiable components that are subject to regular replacement, these components are assigned distinct useful lives and residual values and a separate depreciation rate is determined for each component.

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

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

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

Asset recognition thresholds and depreciation periods

	Depreciation Period	Threshold Limit \$'000
Property		
Land	-	2
Land improvements	10 to 100 years	2
Buildings	65 to 90 years	2

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

Note 1 Significant accounting policies (cont.)

(n) Depreciation and amortisation of property, infrastructure, plant and equipment and intangibles (cont.)

Plant and Equipment

Plant, machinery and equipment	7 years	2
Fixtures, fittings and furniture	7 to 25 years	2

Infrastructure

Sealed roads		
- road seals	19 years	2
- road pavement	25 to 80 years	2
Unsealed roads		
- road pavement	15 to 25 years	2
Laneways		
- concrete	100 years	2
- bitumen	18 years	2
Bridges		
- timber	80 years	2
- steel and concrete	150 years	2
Footpaths and cycleways		
- concrete	60 years	2
- gravel	20 years	2
- bitumen	30 years	2
- brick	40 years	2
Drainage		
- main drains	50 to 100 years	2
- culverts and floodways	100 years	2
- pumps	30 years	2
Kerb and channel		
- kerb and channel	75 years	2
- traffic islands	50 years	2
Recreational, leisure and community facilities		
- playground equipment	20 years	2
Parks, open space and streetscapes		
- parks and gardens	10 to 100 years	2
Other infrastructure assets	10 to 100 years	2

(o) 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.

(p) Investment property

Council does not hold any investment property.

(q) Impairment of assets

At each reporting date, the Council reviews the carrying value of its assets to determine whether there is any indication that these assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the comprehensive income statement, unless the asset is carried at the revalued amount in which case, the impairment loss is recognised directly against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

(r) 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 27).

(s) 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.

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

Note 1 Significant accounting policies (cont.)

(s) Borrowings (cont.)

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.

(t) 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.

(u) Landfill rehabilitation provision

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

(v) Leases

Finance leases

Council has not entered into any finance lease arrangements.

Operating leases

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

Leasehold improvements

Council does not have leasehold improvements.

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

Note 1 Significant accounting policies (cont.)

(w) 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.

(x) Financial guarantees

Financial guarantee contracts are not recognised as a liability in the balance sheet unless the lender has exercised their right to call on the guarantee or Council has other reasons to believe that it is probable that the right will be exercised. Details of guarantees that Council has provided, that are not recognised in the balance sheet, are disclosed at Note 36 contingent liabilities and contingent assets.

(y) 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.

(z) Pending accounting standards

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

(aa) Rounding

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

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

Note 2 Budget comparison

The budget comparison notes compare Council's financial plan, expressed through its annual budget, with actual performance. The *Local Government (Planning and Reporting) Regulations 2014* requires explanation of any material variances. Council has adopted a materiality threshold of the lower of 10 percent or \$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 29 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 2016 \$'000	Actual 2016 \$'000	Variance 2016 \$'000	Ref
Income				
Rates and charges	33,145	33,153	8	
Statutory fees and fines	862	1,036	174	1
User fees	2,744	2,598	(146)	2
Grants - operating	10,932	6,131	(4,801)	3
Grants - capital	4,525	5,600	1,075	4
Contributions - monetary	820	277	(543)	5
Contributions - non monetary	200	1,750	1,550	6
Share of net profit of associates and joint ventures	-	18	18	
Other income	1,079	2,018	939	7
Total income	54,307	52,581	(1,726)	
Expenses				
Employee costs	20,169	18,965	(1,204)	8
Materials and services	22,002	20,203	(1,799)	9
Bad and doubtful debts	5	38	33	
Depreciation and amortisation	8,886	9,546	660	10
Borrowing costs	465	463	(2)	
Net loss on disposal of property, infrastructure, plant and equipment	118	252	134	11
Share of net loss of associates and joint ventures	20	-	(20)	
Other expenses	794	719	(75)	
Total expenses	52,459	50,186	(2,273)	
Surplus/(deficit) for the year	1,848	2,395	547	

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Statutory fees and fines	Variance primarily driven by increased income from Town Planning and building fees.
2	User fees	Variance primarily driven by lower than budgeted income from use of community facilities controlled by Section 86 Committees (\$0.26m) offset by higher income from Landfill/Transfer stations (\$0.14m).
3	Grants - operating	Variance primarily driven by early receipt of 50% of the 2015/16 Financial Assistance Grant (\$4.85m) which was recognised in the 2014/15 financial year.
4	Grants - capital	Variance primarily driven by additional (\$2.00m) Roads to Recovery funding, offset by funding not received for projects Numurkah Rd Katunga intersection (\$0.60m) and Yarrawonga Aerodrome (\$0.40m).
5	Contributions - monetary	Variance primarily driven by non receipt of developer contributions for projects not started/completed including: All Abilities Playground (\$0.20m), Botts Road/MV Highway intersection (\$0.17m) and Cobram Library (\$0.02m).

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

Note 2 Budget comparison (cont.)

(a) Income and Expenditure (cont.)

(i) Explanation of material variations (cont.)

Variance Ref	Item	Explanation
6	Contributions - non monetary	Variance is primarily due to receipt of new assets replaced by insurance following the Wunghnu fires. The assets are predominantly within Kinniards Wetlands, at Numurkah.
7	Other income	Variance primarily driven by increased income from interest on investments resulting from a higher than planned average daily balance driven by early receipt of Financial Assistance Grant.
8	Employee costs	Variance driven by lower than budgeted wages and salaries (\$0.79m) as a result of delays in backfilling roles throughout the 2015/16 year. Also lower than budgeted use of external casuals and trainees (\$0.18m), lower long service leave charges (\$0.16m), lower than budget FBT liability (\$0.15m) and superannuation expenses (\$0.09m).
9	Materials and services	Variance driven by lower than budgeted spend on various materials and services including: waste management contractors (\$0.25m) other contractors (\$0.41m), plant & light fleet expenses (\$0.40m), advertising and insurance (\$0.24m), community facilities controlled by Section 86 Committees (\$0.23m) and community contributions (\$0.10m). Also costs associated with economic development programs (\$0.20m), drainage studies (\$0.20m), roadside weed eradication (\$0.10m) and improvements to Council's IT environment (\$0.18m) which are expected to be incurred in 2016-17.
10	Depreciation and amortisation	Variance is driven by asset revaluations that have increased the value of some assets. There are several reasons for the increase: increased construction costs; increased construction standards; and incorporation of design costs.
11	Net loss on disposal of PIP&E	Variance is mainly due to the disposal of pavement and subgrade on roads that have been renewed, the disposal of infrastructure at the Cobram saleyards (\$0.07m), and demolition of buildings that have been renewed such as the Yarrawonga Gun Club (approx. \$0.12m).

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

Note 2 Budget comparison (cont.)

(b) Capital Works

	Budget 2016 \$'000	Actual 2016 \$'000	Variance 2016 \$'000	Ref
Property				
Land improvements	1,037	535	(502)	1
Total Land	1,037	535	(502)	
Buildings	2,315	1,743	(572)	2
Total Buildings	2,315	1,743	(572)	
Total Property	3,352	2,278	(1,074)	
Plant and Equipment				
Plant, machinery and equipment	917	975	58	
Computers and telecommunications	56	-	(56)	3
Total Plant and Equipment	973	975	2	
Infrastructure				
Roads	5,976	6,130	154	4
Bridges	180	26	(154)	5
Footpaths and cycleways	325	106	(219)	6
Drainage	380	189	(191)	7
Recreational, leisure and community facilities	385	18	(367)	8
Total Infrastructure	7,246	6,469	(777)	
Total Capital Works Expenditure	11,571	9,722	(1,849)	
Represented by:				
New asset expenditure	-	2,638	2,638	
Asset renewal expenditure	6,637	6,419	(218)	
Asset expansion expenditure	2,583	290	(2,293)	
Asset upgrade expenditure	2,351	375	(1,976)	
Total Capital Works Expenditure	11,571	9,722	(1,849)	

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Land Improvements	Variance primarily driven by a major project identified at the preparation of the budget to undertake works at the Yarrawonga Aerodrome was subject to obtaining a grant, which was not received. The project has therefore been rescheduled, subject to obtaining funding. Variance also due to delays in completing the Nathalia Levee repair project. The project will be completed early in the 2016/17 financial year. This is offset by additional expenditure incurred as a result of carry over funding from the previous year being applied to completion of the rehabilitation of cells 1-4 at the Cobram Landfill site.
2	Buildings	The works on the Cobram Library are a large contributor to this asset class. The Library project is well advanced and significant payments to the Contractor for works done following the financial year end will be made in the new year.
3	Computers and Telecomm.	The upgrade to aerial imaging was undertaken for significantly less than the budget. Expenditure was below the capitalisation threshold and expensed.
4	Roads	Some Roads to Recovery funded projects have been brought forward to ensure that Council's obligations under the funding agreement are met.
5	Bridges	The implementation of repairs to some of the timber bridges has been complex to define and design. The works will be done in the 2016/17 financial year.
6	Footpaths and cyclways	The design and documentation of the Nathalia Footpath project has been delayed to ensure that drainage of the area has been considered. It will be constructed in the 2016/17 financial year.

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

Note 2 Budget comparison (cont.)

(b) Capital Works (cont.)

(i) Explanation of material variations (cont.)

Variance Ref	Item	Explanation
7	Drainage	Significant budget was allocated to provide for design of improvement works at Yarrawonga. The complex design is dependant upon a major drainage study and design work will continue into 2016/17 and subsequent years with a consequential rollout of significant works in the coming years.
8	Recreational, leisure and community facilities	The project to create an All Abilities Playground at Yarrawonga forms an major part of this category. The project has been through several additional stages over those normally expected and has now reached detailed design. The project will be completed in the 2016/17 financial year.

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

	2016 \$'000	2015 \$'000
Note 3 Rates and charges		
Council uses Capital Improved Value (CIV) as the basis of valuation of all properties within the municipal district. The CIV of a property is its value of land and all its improvements.		
The valuation base used to calculate general rates for 2015/16 was \$5,000 million (2014/15 - \$5,024 million).		
General rates	21,362	20,237
Municipal charge	5,095	4,849
Environmental levy	3,441	3,274
Waste management charges	3,255	2,778
Total rates and charges	33,153	31,138
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		
Town planning fees	183	254
Building services fees	422	415
Land information certificates	37	33
Permits	54	58
Business registration fees	137	118
Animal registration fees and fines	175	183
Other statutory fees and fines	28	32
Total statutory fees and fines	1,036	1,093
Note 5 User fees		
Leisure centre and recreation	26	26
Child care/children's programs	57	55
Waste management services	1,629	1,426
Rent and other property income	138	209
Public hall and park hire fees	331	333
Sundry works and works within road reserve fees	63	68
Caravan park charges	196	262
Other user fees and charges	158	102
Total user fees	2,598	2,481
Note 6 Grants		
Grants were received in respect of the following :		
Summary of grants		
Commonwealth funded grants	10,545	17,495
State funded grants	1,185	3,671
Total grants received	11,730	21,166
Operating Grants		
Recurrent - Commonwealth Government		
Victoria Grants Commission	4,909	14,598
Family day care	401	596
Recurrent - State Government		
School crossing supervisors	17	16
Maternal and child health	301	310
Recreation, leisure and community activities	57	56
Community health and safety	46	106
Roadside weeds and pest management	75	50
Environmental programs	20	30
Economic development programs	-	10
Other	9	24
Total recurrent operating grants	5,835	15,796

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

	2016 \$'000	2015 \$'000
Note 6 Grants (cont.)		
Operating Grants (cont.)		
Non-recurrent - Commonwealth Government		
Disaster recovery	-	253
Non-recurrent - State Government		
Community health	45	34
Environmental programs	128	132
Economic development programs	-	60
Flood Mitigation	100	-
Recreation and community activities	7	108
Other	16	-
Total non-recurrent operating grants	296	587
Total operating grants	6,131	16,383
Capital Grants		
Recurrent - Commonwealth Government		
Roads to recovery	5,235	1,768
Total recurrent capital grants	5,235	1,768
Non-recurrent - Commonwealth Government		
Roads - Black spot program	-	281
Non-recurrent - State Government		
Buildings	225	62
Land Improvements	-	250
Drainage	-	250
Parks, open space and streetscapes	88	650
Roads - country roads and bridges	-	1,000
Footpaths and cycleways	40	-
Recreation, leisure and community activities	12	525
Total non-recurrent capital grants	365	3,018
Total capital grants	5,600	4,786
Total Grants	11,731	21,169
Unspent grants received on condition that they be spent in a specific manner		
Balance at start of year	783	1,085
Received during the financial year and remained unspent at balance date	145	362
Received in prior years and spent during the financial year	(775)	(664)
Balance at year end	153	783
Note 7 Contributions		
Monetary	277	418
Non-monetary	1,750	1,709
Total contributions	2,027	2,127
<i>Contributions of non monetary assets were received in relation to the following asset classes.</i>		
Land	1	9
Buildings	-	99
Infrastructure	1,749	1,601
Total non-monetary contributions	1,750	1,709
Note 8 Net gain/(loss) on disposal of property, infrastructure, plant and equipment		
Proceeds of sale	323	231
Written down value of assets disposed	(213)	(134)
Impairment losses on infrastructure assets replaced	(362)	(5,645)
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	(252)	(5,548)

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

	2016	2015
	\$'000	\$'000
Note 9 Other income		
Interest on rates	167	165
Interest on investments	630	544
Reimbursements and subsidies	100	77
Legal costs recouped	169	222
Rates property revaluation costs recouped	15	127
Energy rebate scheme income	162	46
Sale of recyclables income	29	77
IT equipment sale and leaseback	-	187
Revaluation of intangible asset (water rights)	299	110
Visitor Information centre income	59	47
Other income	388	88
Total other income	2,018	1,690
Note 10 (a) Employee costs		
Wages and salaries	16,259	15,626
WorkCover	298	166
Casual staff	285	240
Superannuation	1,482	1,366
Fringe benefits tax	216	481
Other employee costs	425	522
Total employee costs	18,965	18,401
Note 10 (b) Superannuation		
Council made contributions to the following funds:		
Defined benefit fund		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	34	24
Total	34	24
Employer contributions payable at reporting date.	-	-
Accumulation funds		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	1,263	1,185
Employer contributions - other funds	184	157
Total	1,447	1,342
Employer contributions payable at reporting date.	51	37
Refer to note 35 for further information relating to Council's superannuation obligations.		
Note 11 Materials and services		
Contract payments	4,562	4,096
Building maintenance	359	272
General maintenance	6,548	6,443
Utilities	934	932
Office administration	1,143	1,198
Information technology	1,017	682
Insurance	489	524
Consultant fees	600	595
Community services	1,224	1,137
Contributions, donations and grants	2,264	2,331
Waste management	908	919
Environmental management	155	169
Additional landfill provision costs	-	2,573
Total materials and services	20,203	21,871

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

	2016 \$'000	2015 \$'000
Note 12 Bad and doubtful debts		
Rates debtors	38	-
Total bad and doubtful debts	38	-
Note 13 Depreciation		
Property	3,039	2,461
Plant and equipment	449	379
Infrastructure	6,058	5,434
Total depreciation	9,546	8,274
<i>Refer to note 23 and 25 for a more detailed breakdown of depreciation charges.</i>		
Note 14 Borrowing costs		
Interest - Borrowings	463	527
Total borrowing costs	463	527
Note 15 Other expenses		
Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	72	51
Auditors' remuneration - Internal	94	44
Councillors' allowances	292	288
Interest on unwinding of discount on provisions	160	232
Operating lease rentals	10	9
Refund of rates	64	-
Other expenses	27	2
Total other expenses	719	626
Note 16 Investments in associates		
(a) Investments in associates		
Investments in associates accounted for by the equity method are:		
- Goulburn Valley Regional Library Corporation	702	692
- Moira Arts and Culture Inc.	23	15
Total investments in associates	725	707
Goulburn Valley Regional Library Corporation		
<i>Background</i>		
Goulburn Valley Regional Library Corporation operates a regional library. Its ownership is shared between several local councils in the area, including Moira Shire Council with a stakeholding of 28.86%.		
Fair value of Council's investment in Goulburn Valley Regional Library Corporation	702	692
Council's share of accumulated surplus/(deficit)		
Council's share of accumulated surplus(deficit) at start of year	(147)	(203)
Adjustment to surplus (deficit) for previous years	20	-
Reported surplus(deficit) for year	(10)	56
Council's share of accumulated surplus(deficit) at end of year	(137)	(147)
Council's share of reserves		
Council's share of reserves at start of year	839	839
Council's share of reserves at end of year	839	839
Movement in carrying value of specific investment		
Carrying value of investment at start of year	692	636
Adjustment to surplus (deficit) for previous years	20	-
Share of surplus(deficit) for year	(10)	56
Carrying value of investment at end of year	702	692
Council's share of contingent liabilities and contingent assets		
There are no contingent liabilities or contingent assets.		

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

Note 16 Investments in associates (cont.)

Goulburn Valley Regional Library Corporation (cont.)

Significant restrictions

There are no significant restrictions on the ability of associate to transfer assets to Council in the form of dividends or to repay loans or advances made by Council.

Moira Arts and Culture Inc.

Background

Moira Arts and Culture Inc. is an incorporated association which promotes arts and culture within the shire. Moira Shire Council has a 20% stakeholding with two directors on the board of Moira Arts and Culture Inc.

	2016 \$'000	2015 \$'000
Fair value of Council's investment in Moira Arts and Culture Inc.	23	15
Council's share of accumulated surplus/(deficit)		
Council's share of accumulated surplus(deficit) at start of year	15	14
Adjustment to surplus (deficit) for previous years	-	(8)
Reported surplus(deficit) for year	8	9
Council's share of accumulated surplus(deficit) at end of year	23	15
Movement in carrying value of specific investment		
Carrying value of investment at start of year	15	14
Adjustment to surplus (deficit) for previous years	-	(8)
Share of surplus(deficit) for year	8	9
Carrying value of investment at end of year	23	15

Council's share of contingent liabilities and contingent assets

There are no contingent liabilities or contingent assets.

Significant restrictions

There are no significant restrictions on the ability of associate to transfer assets to Council in the form of dividends or to repay loans or advances made by Council.

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

	2016 \$'000	2015 \$'000
Note 17 Cash and cash equivalents		
Cash on hand	6	6
Cash at bank	1,461	6,040
Cash at call	2,250	3,400
Term deposits	5,000	6,812
Total cash and cash equivalents	8,717	16,258
Reconciliation of cash and cash equivalents for the year ended 30 June 2016:		
Balance cash and cash equivalents (Note 17)	8,717	16,258
Balance other financial assets (Note 19)	16,000	8,020
Total cash and cash equivalents as per Statement of Cash Flows	24,717	24,278
Councils cash and cash equivalents are subject to external restrictions that limit amounts available for discretionary use. These include:		
- Trust funds and deposits (Note 27)	1,286	1,307
- Unspent conditional grants received (Note 6)	153	783
- Cash held in other reserves (Note 30(b))	1,546	1,338
Total restricted funds	2,985	3,428
Total unrestricted cash and cash equivalents	5,732	12,830
Refer also to Note 19 for details of other financial assets held by Council.		
Note 18 Trade and other receivables		
Current		
Rates debtors	2,227	2,315
Special rate debtors	15	22
Infringement debtors	152	153
Other debtors	618	504
Provision for doubtful debts - other debtors	(1)	(1)
Provision for doubtful debts - rates debtors	(38)	-
Net GST receivable	-	186
Fire Services Levy debtors	272	300
Total current trade and other receivables	3,245	3,479
Total trade and other receivables	3,245	3,479
(a) Ageing of Receivables		
At balance date other debtors representing financial assets were past due but not impaired. These amounts relate to a number of independent customers for whom there is no recent history of default. The ageing of the Council's trade & other receivables (excluding statutory receivables) was:		
Current (not yet due)	531	437
Past due by up to 30 days	84	48
Past due between 31 and 180 days	2	15
Past due between 181 and 365 days	-	3
Past due by more than 1 year	1	1
Total trade & other receivables	618	504
(b) Movement in provisions for doubtful debts		
Balance at the beginning of the year	(1)	(1)
New Provisions recognised during the year	(38)	-
Balance at end of year	(39)	(1)
(c) Ageing of individually impaired Receivables		
At balance date, other debtors representing financial assets with a nominal value of \$705 (2015: \$900) was impaired. The amount of the provision raised against this debtor is \$550 (2015: \$550). It has individually been impaired as a result of their doubtful collection. The long outstanding past due amount is on a payment arrangement.		
The ageing of receivables that have been individually determined as impaired at reporting date was:		
Past due by more than 1 year	(1)	(1)
Total trade & other receivables	(1)	(1)
Note 19 Other financial assets		
Term deposits	16,000	8,020
Total other financial assets	16,000	8,020

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

	2016 \$'000	2015 \$'000
Note 20 Inventories		
Inventories held for distribution	537	576
Inventories held for sale	12	16
Total inventories	549	592
Note 21 Non current assets classified as held for sale		
Cost of acquisition	373	442
Less: Industrial land sold during the year	-	(69)
Less: Industrial land reclassified during the year	(373)	-
Total non current assets classified as held for sale	-	373
Note 22 Other assets		
Prepayments	175	90
Accrued income	93	156
Total other assets	268	246

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

Note 23

Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment

	At Fair Value 30 June 2016	Accumulated Depreciation	WDV 30 June 2016	At Fair Value 30 June 2015	Accumulated Depreciation	WDV 30 June 2015
Land	137,816	(17,389)	120,427	121,358	(12,885)	108,473
Buildings	132,442	(52,878)	79,564	127,667	(53,906)	73,761
Plant and Equipment	4,315	(1,586)	2,729	3,693	(1,393)	2,300
Infrastructure	437,059	(115,943)	321,116	428,895	(114,622)	314,273
Work in progress	1,210	-	1,210	738	-	738
	712,842	(187,796)	525,046	682,351	(182,806)	499,545

Summary of Work in Progress

	Opening WIP	Additions	Transfers	Write Offs	Closing WIP
Buildings	592	905	(519)	-	978
Infrastructure	146	261	(175)	-	232
Total	738	1,166	(694)	-	1,210

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

Note 23 Property, infrastructure, plant and equipment (cont.)

Land and Buildings	Note	Land - specialised	Land - non specialised	Land improvements	Total Land	Buildings - non specialised	Total Buildings	Work In Progress	Total Property
At fair value 1 July 2015		4,734	80,246	36,378	121,358	127,667	127,667	592	249,617
Accumulated depreciation at 1 July 2015		-	-	(12,885)	(12,885)	(53,906)	(53,906)	-	(66,791)
		4,734	80,246	23,493	108,473	73,761	73,761	592	182,826
Movements in fair value									
Acquisition of assets at fair value		1	192	322	515	924	924	905	2,344
Contributed assets		-	1	-	1	-	-	-	1
Revaluation increments/decrements		473	5,355	357	6,185	4,053	4,053	-	10,238
Fair value of assets disposed		-	(83)	(106)	(189)	(406)	(406)	-	(595)
Transfers		-	380	9,566	9,946	204	204	(519)	9,631
		474	5,845	10,139	16,458	4,775	4,775	386	21,619
Movements in accumulated depreciation									
Depreciation and amortisation		-	-	(1,032)	(1,032)	(2,007)	(2,007)	-	(3,039)
Accumulated depreciation of disposals		-	-	72	72	235	235	-	307
Revaluation increments/decrements		-	-	-	-	2,800	2,800	-	2,800
Transfers		-	-	(3,544)	(3,544)	-	-	-	(3,544)
		-	-	(4,504)	(4,504)	1,028	1,028	-	(3,476)
At fair value 30 June 2016		5,208	86,091	46,517	137,816	132,442	132,442	978	271,236
Accumulated depreciation at 30 June 2016		-	-	(17,389)	(17,389)	(52,878)	(52,878)	-	(70,267)
		5,208	86,091	29,128	120,427	79,564	79,564	978	200,969

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

Note 23 Property, infrastructure, plant and equipment (cont.)

Plant and Equipment	Note	Plant machinery and equipment	Fixtures fittings and furniture	Computers and telecommunications	Total plant and equipment
At fair value 1 July 2015		3,495	121	77	3,693
Accumulated depreciation at 1 July 2015		(1,246)	(70)	(77)	(1,393)
		<u>2,249</u>	<u>51</u>	<u>-</u>	<u>2,300</u>
Movements in fair value					
Acquisition of assets at fair value		975	-	-	975
Contributed assets		33	-	-	33
Fair value of assets disposed		(386)	-	-	(386)
		<u>622</u>	<u>-</u>	<u>-</u>	<u>622</u>
Movements in accumulated depreciation					
Depreciation and amortisation		(440)	(9)	-	(449)
Accumulated depreciation of disposals		256	-	-	256
		<u>(184)</u>	<u>(9)</u>	<u>-</u>	<u>(193)</u>
At fair value 30 June 2016		4,117	121	77	4,315
Accumulated depreciation at 30 June 2016		(1,430)	(79)	(77)	(1,586)
		<u>2,687</u>	<u>42</u>	<u>-</u>	<u>2,729</u>

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

Note 23 Property, infrastructure, plant and equipment (cont.)

Infrastructure	Note	Roads	Bridges	Footpaths and cycleways	Drainage	Recreational, leisure and community	Other Infrastructure	Total Infrastructure (excl. WIP)	Work In Progress	Total Infrastructure
At fair value 1 July 2015		318,462	26,261	15,891	56,448	2,061	9,772	428,895	146	429,041
Accumulated depreciation at 1 July 2015		(80,776)	(8,696)	(3,321)	(18,124)	(138)	(3,567)	(114,622)	-	(114,622)
		237,686	17,565	12,570	38,324	1,923	6,205	314,273	146	314,419
Movements in fair value										
Acquisition of assets at fair value		5,862	64	163	4	49	-	6,142	261	6,403
Contributed assets		447	710	228	339	-	-	1,724	-	1,724
New assets brought to account		33	-	-	361	-	-	394	-	394
Revaluation increments/decrements		-	-	1,050	8,167	-	-	9,217	-	9,217
Fair value of assets disposed		(223)	-	(3)	(4)	-	-	(230)	-	(230)
Transfers		-	551	2	136	-	(9,772)	(9,083)	(175)	(9,258)
		6,119	1,325	1,440	9,003	49	(9,772)	8,164	86	8,250
Movements in accumulated depreciation										
Depreciation and amortisation		(4,673)	(217)	(395)	(683)	(103)	13	(6,058)	-	(6,058)
Accumulated depreciation of disposals		71	-	1	1	-	-	73	-	73
Accumulated depreciation of new assets brought to account		-	(7)	-	(50)	-	-	(57)	-	(57)
Revaluation increments/decrements		-	-	2,178	(1,002)	-	-	1,176	-	1,176
Transfers		-	(9)	-	-	-	3,554	3,545	-	3,545
		(4,602)	(233)	1,784	(1,734)	(103)	3,567	(1,321)	-	(1,321)
At fair value 30 June 2016		324,581	27,586	17,331	65,451	2,110	-	437,059	232	437,291
Accumulated depreciation at 30 June 2016		(85,378)	(8,929)	(1,537)	(19,858)	(241)	-	(115,943)	-	(115,943)
		239,203	18,657	15,794	45,593	1,869	-	321,116	232	321,348

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

Note 23 Property, infrastructure, plant and equipment (cont.)

Valuation of land and buildings

Land assets were valued by LG Valuation Services Pty Ltd as at 30 June 2016. The valuation of land is at fair value being market value based on highest and best use permitted by relevant land planning provisions. The valuation process involved an inspection of each asset to identify and value each property's fair value. Valuation of land assets is due again in 2017/18.

Land under Roads were valued as at 30 June 2016 by Mrs Tricia Simpson, Asset Technical Officer under the direction of Mr Mark Foord, Manager Strategic Projects, in accordance with the "Englobo Method" of calculation provided in the Department of Planning and Community Development Circular 15/11. The Englobo Method of valuation of land under roads is a calculation based on the area the unimproved value of all land within the municipality discounted by 90% multiplied by the area of land under roads. The value of land under roads will be re-calculated every year.

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.

Land Improvements were valued as at 30 June 2014 based on a condition assessment conducted by Mr Gary Hodgskiss, Superintendent Works & Services for Moira Shire Council and Mr Clayton Drysdale, consultant engineer. Mr Hodgskiss holds a Bachelor of Engineering (Civil) and a Graduate Diploma of Municipal Engineering. Mr Drysdale holds a Bachelor of Engineering (Civil). The basis of the valuation is depreciated replacement cost and will occur again in 2016/17.

Buildings were valued as at 30 June 2016 by LG Valuation Services in accordance with AASB 13 and AASB 116 as a component of the valuation works to be provided under Moira Shire Council Contract C168/10. The valuation of land and buildings is at fair value being market value based on highest component to determine each property's fair value. Buildings will be re-valued again in 2017/18.

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

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Land - specialised	-	-	5,208	5,208
Land - non specialised	-	54,839	31,252	86,091
Land improvements	-	-	29,128	29,128
Buildings - non specialised	-	-	79,564	79,564
Total	-	54,839	145,152	199,991

Valuation of infrastructure

Roads were valued as at 30 June 2014 based on a condition assessment conducted by Moloney Asset Management Systems and council's engineering staff. A unit rate and effective life review conducted by Mr Bruce Berg von Lindhe, Asset Executive for Moira Shire Council. The basis of the valuation was depreciated replacement cost. This asset class is due to be re-valued again in 2016/17.

Kerb and Channel were valued as at 30 June 2015 by Council's qualified engineering staff. The valuation is at fair value based on replacement costs less accumulated depreciation as at the date of valuation and is due again in 2017/18.

Bridges were valued as at 30 June 2014 by council's asset management staff under the supervision and direction of Mr Mark Foord, Manager Strategic Projects of Moira Shire Council. Valuation was based on condition assessment conducted by Land Management Surveys Pty Ltd an experienced bridge engineering firm who have expertise in this field. Valuation is a fair value based on replacement cost less accumulated depreciation and is due next in 2016/17.

Footpaths were valued as at 30 June 2016 by Council's qualified engineering staff. The valuation is at fair value based on replacement costs less accumulated depreciation as at the date of valuation and is due again in 2018/19.

Drainage assets were valued as at 30 June 2016 by Council's qualified engineering staff. The valuation is at fair value based on replacement costs less accumulated depreciation as at the date of valuation and is due again in 2018/2019.

Culverts and Floodways were last valued as at 30 June 2016 by Council's qualified engineering staff. The valuation was at fair value based on replacement cost less accumulated depreciation as at the date of valuation and is due again in 2018/19.

Pumps were valued as at 30 June 2016 by Council's qualified engineering staff. The valuation is fair value based on replacement cost less accumulated depreciation at the date of valuation and is due again in 2018/19.

Recreational, leisure and community facilities (playground equipment) were valued as at 30 June 2015 by Ray Hutchinson & Associates, experienced consultants in this field. The basis of the valuation was depreciated replacement cost and will occur again in 2017/18.

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

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

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Roads	-	-	239,203	239,203
Bridges	-	-	18,657	18,657
Footpaths and cycle ways	-	-	15,794	15,794
Drainage	-	-	45,593	45,593
Recreational, leisure and community facilities	-	-	1,869	1,869
Total	-	-	321,116	321,116

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

Note 23 Property, infrastructure, plant and equipment (cont.)

Description of significant unobservable inputs into level 3 valuations

Specialised land and land under roads is valued using a market based direct comparison technique. Significant unobservable inputs include the extent and impact of restriction of use and the market cost of land per square metre. The extent and impact of restrictions on use varies and results in a reduction to surrounding land values between 5% and 95%. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values range between \$1 and \$4,400 per square metre.

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 2 years to 150 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of infrastructure are sensitive to changes in use, expectations or requirements that could either shorten or extend the useful lives of infrastructure assets.

	2016 \$'000	2015 \$'000
Reconciliation of specialised land		
Land under roads	5,208	4,734
Total specialised land	<u>5,208</u>	<u>4,734</u>

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

		2016 \$'000	2015 \$'000
Note 24	Investment property		
	Council does not have investment property.		
Note 25	Intangible assets		
	Water rights	1,319	1,020
	Total intangible assets	1,319	1,020
		Water rights	Total
		\$'000	\$'000
	Gross carrying amount		
	Balance at 1 July 2014	910	910
	Fair value adjustment	110	110
	Balance at 1 July 2015	1,020	1,020
	Fair value adjustment	299	299
	Balance at 30 June 2016	1,319	1,319
Note 26	Trade and other payables		
	Trade payables	1,586	950
	Net GST payable/(receivable)	(571)	(110)
	Accrued expenses	1,256	950
	Total trade and other payables	2,271	1,790
Note 27	Trust funds and deposits		
	Refundable deposits	813	676
	Fire services levy	418	484
	Retention amounts	55	147
	Total trust funds and deposits	1,286	1,307
	<i>Purpose and nature of items</i>		
	Refundable deposits - Deposits are taken by Council as a form of surety in a number of circumstances, including in relation to building works, tender deposits, contract deposits and the use of civic facilities.		
	Fire service levy - Council is the collection agent for fire services levy on behalf of the State Government. Council remits amounts received on a quarterly basis. Amounts disclosed here will be remitted to the state government in line with that process.		
	Retention amounts - Council has a contractual right to retain certain amounts until a contractor has met certain requirements or a related warrant or defect period has elapsed. Subject to the satisfactory completion of the contractual obligations, or the elapsing of time, these amounts will be paid to the relevant contractor in line with Council's contractual obligations.		
Note 28	Provisions		
		Employee	Landfill
		\$'000	restoration
		\$'000	\$'000
	2016		
	Balance at beginning of the financial year	4,159	10,484
	Additional provisions	361	357
	Amounts used	(153)	(372)
	Increase in the discounted amount arising because of time and the effect of any change in the discount rate	-	160
	Balance at the end of the financial year	4,367	10,628
	2015		
	Balance at beginning of the financial year	3,720	8,603
	Additional provisions	587	2,573
	Amounts used	(148)	(924)
	Increase in the discounted amount arising because of time and the effect of any change in the discount rate	-	232
	Balance at the end of the financial year	4,159	10,484
		14,643	14,643

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

Note 28	Provisions (cont.)	2016	2015
		\$'000	\$'000
	(a) Employee provisions		
	Current provisions expected to be wholly settled within 12 months		
	Annual leave	1,445	975
	Annual leave loading	106	108
	Rostered days off	146	136
	Long service leave	2,125	2,008
	Sub-total	3,822	3,227
	Current provisions expected to be wholly settled after 12 months		
	Annual leave	124	551
	Sub-total	124	551
	Total current employee provisions	3,946	3,778
	Non-current		
	Long service leave	419	379
	Total non-current employee provisions	419	379
	Aggregate carrying amount of employee provisions:		
	Current	3,946	3,778
	Non-current	419	379
	Total aggregate carrying amount of employee provisions	4,365	4,157
	(b) Landfill restoration		
	Current	145	906
	Non-current	10,483	9,577
	Total aggregate carrying amount of landfill restoration provision	10,628	10,483
Note 29	Interest bearing loans and borrowings		
	Current		
	Borrowings - secured	966	892
		966	892
	Non-current		
	Borrowings - secured	4,614	5,579
		4,614	5,579
	Total Interest bearing loans and borrowings	5,580	6,471
	(a) The maturity profile for Council's borrowings is:		
	Not later than one year	966	892
	Later than one year and not later than five years	3,731	4,118
	Later than five years	883	1,461
		5,580	6,471
	Borrowings are secured by a lien on Council rate revenue.		
Note 29 (a)	Non-interest bearing loans and borrowings		
	Current		
	Land acquisition	-	60
		-	60
	Non-current		
	Land acquisition	-	60
		-	60
	Total Non-interest bearing loans and borrowings	-	120
	(a) The maturity profile for Council's non interest-bearing borrowings is:		
	Not later than one year	-	60
	Later than one year and not later than five years	-	60
		-	120
	Non-interest bearing loans are unsecured.		

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

Note 30 Reserves

	Balance at beginning of reporting period \$'000	Increment (decrement) \$'000	Balance at end of reporting period \$'000
(a) Asset revaluation reserves			
2016			
Property			
Land	33,220	5,828	39,048
Land Improvements	13,739	357	14,096
Buildings	50,891	6,854	57,745
	<u>97,850</u>	<u>13,039</u>	<u>110,889</u>
Infrastructure			
Roads	175,229	-	175,229
Bridges	16,948	-	16,948
Footpaths and cycleways	9,110	3,229	12,339
Drainage	24,957	7,164	32,121
Recreational, leisure and community facilities	1,401	-	1,401
Other infrastructure	3,135	-	3,135
	<u>230,780</u>	<u>10,393</u>	<u>241,173</u>
Total asset revaluation reserves	328,630	23,432	352,062
2015			
Property			
Land	33,070	150	33,220
Land Improvements	11,166	2,573	13,739
Buildings	50,885	6	50,891
	<u>95,121</u>	<u>2,729</u>	<u>97,850</u>
Infrastructure			
Roads	171,733	3,496	175,229
Bridges	16,948	-	16,948
Footpaths and cycleways	9,110	-	9,110
Drainage	24,957	-	24,957
Recreational, leisure and community facilities	885	516	1,401
Other infrastructure	3,135	-	3,135
	<u>226,768</u>	<u>4,012</u>	<u>230,780</u>
Total asset revaluation reserves	321,889	6,741	328,630

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

	Balance at beginning of reporting period \$'000	Transfer from accumulated surplus \$'000	Transfer to accumulated surplus \$'000	Balance at end of reporting period \$'000
(b) Other reserves				
2016				
Recreational open space reserve	1,004	10	(50)	964
Car parking reserve	274	80	(103)	251
Net gain native vegetation reserve	60	48	-	108
Botts Road - Murray Valley Highway intersection reserve	-	223	-	223
Total Other reserves	1,338	361	(153)	1,546
2015				
Recreational open space reserve	929	75	-	1,004
Car parking reserve	274	-	-	274
Net gain native vegetation reserve	60	-	-	60
Total Other reserves	1,263	75	-	1,338

Recreational open space reserve has been established in accordance with the Sub-division Act 1988 and is used to develop strategically located parks and reserves for the benefit of the residents in the municipality.

Car parking reserve has been established under the Planning and Environment Act 1987 and is used to provide adequate car parking spaces within the municipality.

Net gain native vegetation reserve has been established under the Planning and Environment Act 1987 and is used to fulfil Council's obligation in regard to planting of native vegetation.

Botts Road - Murray Valley Highway intersection reserve is used to allocate funds provided by developers to improving the intersection of Botts Road and the Murray Valley Highway in Yarrawonga.

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

	2016 \$'000	2015 \$'000
Note 31 Reconciliation of cash flows from operating activities to surplus/(deficit)		
Surplus for the year	2,395	4,508
Depreciation/amortisation	9,546	8,274
Profit on disposal of property, infrastructure, plant and equipment	(110)	(97)
Impairment losses	362	5,645
Contributions - Non-monetary assets	(1,750)	(1,709)
Share of net profit of investments in associates	(18)	(57)
Prior year capital works expensed	-	101
Fair value adjustment of intangible asset	(299)	(110)
Net value of previously unrecognised assets	(344)	(8)
Finance costs	465	527
Bad debts	38	-
Change in assets and liabilities:		
(Increase)/decrease in trade and other receivables	209	(35)
(Increase)/decrease in prepayments	(85)	(15)
(Increase)/decrease in accrued income	63	(110)
Increase/(decrease) in trade and other payables	142	(553)
Increase/(decrease) in other liabilities	306	294
(Increase)/decrease in inventories	43	(170)
Increase/(decrease) in provisions	353	2,319
Net cash provided by operating activities	<u>11,316</u>	<u>18,804</u>
Note 32 Financing arrangements		
Credit card facilities	88	78
Fixed rate loan facilities	5,579	6,472
Total facilities	<u>5,667</u>	<u>6,550</u>
Used facilities	5,598	6,497
Unused facilities	<u>69</u>	<u>53</u>

Council does not have an overdraft facility.

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

Note 33 Commitments

The Council has entered into the following commitments

	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
2016					
Operating					
Garbage, recycling and organic waste collection	2,101	2,118	5,271	710	10,200
Computers and telecommunications	391	325	531	149	1,396
Maintenance and security of Council buildings	137	112	189	-	438
Cleaning contracts for council buildings	175	176	-	-	351
Environmental management	258	161	176	-	595
Recreation facilities management	745	751	-	-	1,496
Electoral services	200	-	-	-	200
Other services	207	207	180	-	594
Total	4,214	3,850	6,347	859	15,270
Capital					
Buildings	698	-	-	-	698
Roads	2,878	1,799	-	-	4,677
Other infrastructure	414	-	-	-	414
Total	3,990	1,799	-	-	5,789
2015					
Operating					
Environmental management	111	56	-	-	167
Building design	47	-	-	-	47
Recreation facilities management	737	-	-	-	737
Cleaning contracts for council buildings	265	103	77	-	445
Leasing of plant	971	2,264	1,215	203	4,653
Total	2,131	2,423	1,292	203	6,049
Capital					
Drainage	98	-	-	-	98
Total	98	-	-	-	98

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

	2016 \$'000	2015 \$'000
Note 34 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	1,199	1,231
Later than one year and not later than five years	2,292	3,995
Later than five years	7	203
Total	3,498	5,429

(b) Operating lease receivables

Council does not have any commercial property leases on investment properties.

Note 35 Superannuation

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

Accumulation

The Fund's accumulation categories, Vision MySuper/Vision Super Saver, receive both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2016, this was 9.5% as required under Superannuation Guarantee legislation).

Defined Benefit

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

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

Funding arrangements

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

As at 30 June 2015, an interim actuarial investigation was held as the Fund provides lifetime pensions in the Defined Benefit category. The vested benefit index (VBI) of the Defined Benefit category of which Council is a contributing employer was 105.8%. To determine the VBI, the fund Actuary used the following long-term assumptions:

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

Vision Super has advised that the estimated VBI at quarter ending 30 June 2016 was 102.0%. The VBI is to be used as the primary funding indicator. Because the VBI was above 100%, the 2015 interim actuarial investigation determined the Defined Benefit category was in a satisfactory financial position and that no change was necessary to the Defined Benefit category's funding arrangements from prior years.

Employer contributions

Regular contributions

On the basis of the results of the 2015 interim actuarial investigation conducted by the Fund Actuary, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2016, this rate was 9.5% of members' salaries (9.5% in 2014/2015). This rate will increase in line with any increase to the contribution rate. In addition, Council reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit.

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

Note 35 Superannuation (cont.)

Funding calls

If the Defined Benefit category is in an unsatisfactory financial position at an actuarial investigation or the Defined Benefit category's VBI is below its shortfall limit at any time other than the date of the actuarial investigation, the Defined Benefit category has a shortfall for the purposes of SPS 160 and the Fund is required to put a plan in place so that the shortfall is fully funded within three years of the shortfall occurring. The Fund monitors its VBI on a quarterly basis and the Fund has set its shortfall limit at 97%.

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

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

2015 Interim actuarial investigation surplus amounts

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

A VBI surplus of \$130.8 million; and

A total service liability surplus of \$239 million.

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2015. The total service liability surplus means that the current value of the assets in the Fund's Defined Benefit category plus expected future contributions exceeds the value of expected future benefits and expenses. Council was notified of the 30 June 2015 VBI during August 2015.

Future superannuation contributions

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2017 is \$31,467.

Note 36 Contingent liabilities and contingent assets

Contingent liabilities

Council has obligations under a defined benefit superannuation scheme that may result in the need to make additional contributions to the scheme, matters relating to this potential obligation are outlined in Note 35. As a result of the volatility in financial markets the likelihood of making such contributions in future periods exists. At this point in time it is not known if additional contributions will be required, their timing or potential amount.

Bank guarantees

Council has a bank guarantee of \$697,500 (2014/15 \$697,500).

Guarantees for loans to other entities

Council has not provided any guarantees for loans to other entities.

Contingent assets

Developer contributions expected to be received in respect of property sub-divisions currently under development total \$200,000 (2014/15 \$200,000).

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

Note 37 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. 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 36.

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

(d) Liquidity risk

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

To help reduce these risks Council:

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

The Council's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed on the face of the balance sheet and the amounts related to financial guarantees disclosed in Note 36, 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 29.

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

Note 37 Financial instruments (cont.)

(e) Fair value

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

Fair value hierarchy

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

(f) Sensitivity disclosure analysis

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

- A parallel shift of +1.00% and -1.00% in market interest rates (AUD) from year-end rates of 1.75%.

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

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

Note 38 Related party transactions

(i) Responsible Persons

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

Councillors	Councillor Gary Cleveland (Mayor - 10 November 2015 to 30 June 2016)
	Councillor Marie Martin (Mayor - 01 July 2015 to 09 November 2015)
	Councillor Kevin Bourke
	Councillor Wendy Buck
	Councillor Ed Cox
	Councillor Brian Keenan
	Councillor Peter Mansfield
	Councillor Robert McPhee
	Councillor Alex Monk
Chief Executive Officer	Mark Henderson
	Leanne Mulcahy (Acting CEO - 23 July 2015 to 07 August 2015)
	Andrew Close (Acting CEO - 01 February 2016 to 07 February 2016)

(ii) Remuneration of Responsible Persons

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

	2016	2015
	No.	No.
\$20,000 - \$29,999	4	2
\$30,000 - \$39,999	3	4
\$40,000 - \$49,999	-	1
\$50,000 - \$59,999	1	1
\$70,000 - \$79,999	1	-
\$80,000 - \$89,999	-	1
\$240,000 - \$249,000	-	1
\$260,000 - \$269,999	1	-
	10	10
Total Remuneration for the reporting year for Responsible Persons included above amounted to:	\$592,475	\$621,430

(iii) Senior Officers Remuneration

A Senior Officer other than a Responsible Person, is an officer of Council who:

- a) has management responsibilities and reports directly to the Chief Executive; or
- b) whose total annual remuneration exceeds \$139,000

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

	2016	2015
	No.	No.
Income Range:		
Less than \$139,000	2	6
\$150,000 - \$159,999	1	1
\$160,000 - \$169,999	2	2
\$180,000 - \$189,999	1	-
\$220,000 - \$229,999	-	1
\$360,000 - \$369,999	1	-
	7	10
Total Remuneration for the reporting year for Senior Officers included above, amounted to:	\$1,283,910	\$1,155,223

(iv) Responsible persons retirement benefits

No retirement benefits have been made by Council to a Responsible Person in 2015/16 (2014/15 - \$Nil).

(v) Loans to responsible persons

No loans have been made, guaranteed or secured by the Council to a responsible person of the Council during the reporting period (2014/15 - \$Nil).

(vi) Transactions with responsible persons

No transactions other than remuneration payments or the reimbursement of approved expenses were entered into by Council with responsible persons, or related parties of such responsible persons during the reporting year (2014/15 - \$Nil).

Note 39 Events occurring after balance date

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

Certification of the Financial Statements

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



Simon Rennie, ASA
Principal Accounting Officer

Date : 13 September 2016
Cobram

In our opinion the accompanying financial statements present fairly the financial transactions of Moira Shire Council for the year ended 30 June 2016 and the financial position of the Council as at that date.

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

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



Gary Cleveland
Mayor

Date : 13 September 2016
Cobram



Edward Cox
Deputy Mayor

Date : 13 September 2016
Cobram



Mark Henderson
Chief Executive Officer

Date : 13 September 2016
Cobram

INDEPENDENT AUDITOR'S REPORT

To the Councillors, Moira Shire Council

The Financial Report

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

The Councillors' Responsibility for the Financial Report

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

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

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

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

Independent Auditor's Report (continued)

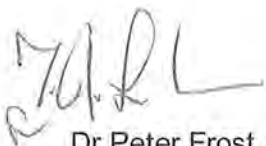
Independence

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

Opinion

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

MELBOURNE
15 September 2016



Dr Peter Frost
Acting Auditor-General

Phone (03) 5871 9222 **NRS** 133 677

Fax (03) 5872 1567

Email info@moira.vic.gov.au

Mail PO Box 578, Cobram Vic 3643

Main Administration Centre

44 Station Street, Cobram

Service Centre

100 Belmore Street, Yarrawonga

Customer Service Agencies

The following locations provide application forms and information brochures and will accept payments of rates and animal registration renewals:

Visitor Information Centre
99 Melville Street, Numurkah

Barmah Forest Heritage and Education Centre
73 Blake Street, Nathalia

Information Agencies

The following locations also provide Council information such as brochures, Council agendas and minutes:

Barmah General Store
Katamatite Post Office
Katunga General Store

Strathmerton Post Office
Tungamah Post Office
Wunghnu Post Office



www.moira.vic.gov.au

find us on [facebook](#)