



# Annual Report

2016/17

## Vision

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

## Mission

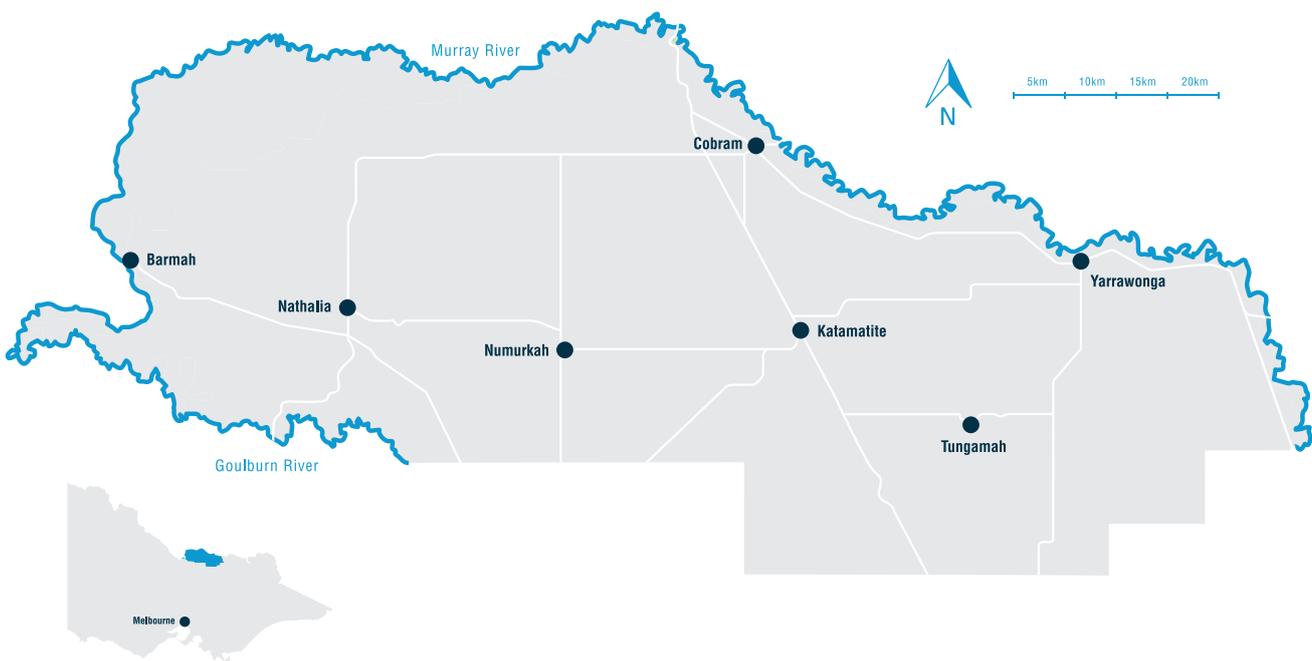
To serve our community through transparent open governance, active engagement, strong advocacy and the provision of affordable services.

## 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.**

<b>Area</b> 4,045km <sup>2</sup>	<b>Median age</b> 44 years	<b>Born overseas</b> 9.60%																						
<b>Major towns</b> Cobram Nathalia Numurkah Yarrawonga	<b>Townships</b> Barmah, Bearii, Bundalong, Invergordon, Katamatite, Katunga, Koonoomoo, Lake Rowan, Peechelba, Picola, St James, Strathmerton, Tungamah, Waaia, Wilby, Wunghnu and Yarraweyah																							
<b>Population</b>		<b>Total 28,887</b>																						
<table border="1"> <caption>Population by Age Group</caption> <thead> <tr> <th>Age Group</th> <th>Percentage</th> </tr> </thead> <tbody> <tr><td>85+</td><td>~3.5%</td></tr> <tr><td>75-84</td><td>~7.5%</td></tr> <tr><td>65-74</td><td>~12.5%</td></tr> <tr><td>55-64</td><td>~14.5%</td></tr> <tr><td>45-54</td><td>~13.5%</td></tr> <tr><td>35-44</td><td>~11.5%</td></tr> <tr><td>25-34</td><td>~9.5%</td></tr> <tr><td>20-24</td><td>~5.5%</td></tr> <tr><td>15-19</td><td>~6.5%</td></tr> <tr><td>0-14</td><td>~18.5%</td></tr> </tbody> </table>			Age Group	Percentage	85+	~3.5%	75-84	~7.5%	65-74	~12.5%	55-64	~14.5%	45-54	~13.5%	35-44	~11.5%	25-34	~9.5%	20-24	~5.5%	15-19	~6.5%	0-14	~18.5%
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<b>Households with internet connection</b> 67.34%	<b>people who help out as a volunteer</b> 26.7%	<b>Speak a language other than english at home</b> 5.08%																						



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# Report of Operations

# Welcome to the Report of Operations 2016-17

Council is committed to transparent reporting and accountability to the community and the Report of Operations 2016-17 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 28,887 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.

During 2017 Council adopted its 2017-2021 Council Plan which includes a new Council vision, mission and values.

## 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 17 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.
- During the year Council secured \$168,000 of Government funding to support the detailed design of proposals that will be confirmed in the Numurkah Floodplain Management Study. During the reporting period Council and the Community Reference Group continued to test and develop preferred flood mitigation proposals.
- In early 2017 Council committed to undertaking a plebiscite to determine the Yarrawonga communities preferred route for the Yarrawonga-Mulwala bridge route. Council will consider the outcomes of the plebiscite once declared.

# Message from the Mayor

This Annual Report details Moira Shire Council's achievement of the 2013-2017 Council Plan strategic objectives and is the first 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

Moira Shire Council's excellent performance across 2016-17 is highlighted by the delivery of our largest ever capital works program and the substantial involvement of local community in developing the future for our shire and the towns and communities within the municipality.

Council delivered \$13.08 million of capital works - a 35% increase from 2015-16. In February 2017, I officially opened the new Cobram Library. The building delivered a much needed new library for the local community and has also encouraged greater public use of the surrounding park area. The project demonstrates the ability of well planned projects to enhance the liveability and economic activity of our Shire.

The Cobram Library project also saw the community generate more than \$200,000 in fundraising with \$130,000 from the RACV Club, \$20,000 from the Barooga Sports Club, \$20,000 from Cobram Community Enterprise, \$10,000 from Cobram Rotary, \$5,000 from Kellaway Industries and many other donations including small donations into the tins at the current library. The library design included recognition of all donors, large and small.

Development of the Council Plan 2017-2021 commenced in late 2016 and was an important opportunity for the newly elected council and management to assess our future challenges and commit to a series of shared priorities.

Through-out 2016-17 we continued to create meaningful opportunities for community engagement. In late 2016 we commenced the first community planning project under the revised community planning framework. Council has supported the Strathmerton

community to develop a vision for their community. The project highlighted the enthusiasm and capability that resides within our local communities. Planning also commenced in Tungamah and Katamatite and these communities have also responded with enthusiasm.

Council continued work to update our municipal strategic statement. The review process has allowed the community, business and council to consider our future land use and development objectives across the shire and to develop the strategies to achieve these. At the time of preparing this report Council has approved forwarding the revised municipal strategic statement for ministerial approval.

During October 2016 our shire was again impacted by flooding. Communities, staff and emergency response organisations worked together to respond and provide relief to affected communities at locations from Bundalong to Barmah.

Council's advisory committees contributed to more informed decision making. Council's Multicultural Advisory Committee, Tourism Advisory Committee, Numurkah Flood Reference Group continued to provide 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 in February 2017. The Code is supported by a Councillor-Staff Interaction Protocol and together they provide a robust framework for councillors and staff to work together to understand and meet the needs of our community.

Council's performance as measured through the annual Local Government Community Satisfaction Survey is steady and the key areas for improvement align with the priorities identified in our Council Plan.

## Thankyou

Overall, this year we have delivered 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, community groups and especially council officers for their efforts to improve the liveability and amenity of our Shire.

I also acknowledge and thank the contributions made by former Councillors Alex Monk, Brian Keenan and Don McPhee during their terms of office.

**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 2016-17. 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

During 2017, Council delivered its largest ever capital works program on time and on budget. Our works covered a diverse range of projects from roofs to roads to below ground drainage and it is therefore pleasing to see the works delivered with safety indicators at or better than industry best practice.

Our local road network was significantly affected by the wet weather during winter and into spring. The impact was evident across several indicators including a 50% increase in customer requests, an increase in the proportion of roads requiring intervention and overall community satisfaction with local sealed roads declining from 52% to 44%.

We responded with one of our largest ever road renewal and repair programs with more than \$11.8 million of works delivered by 30 June 2017 representing a 20% increase on 2015-16 and a 48% increase on 2014-15.

Our waste management operations continued to exceed industry benchmarks. Our organics kerbside collection service achieved an average monthly contamination rate of 0.4% - well below the industry best practice of 1% and up to 10 times better than other councils. As a result Council further increased the volume of organic and recyclable waste diverted out of landfill with 54.8% of all kerbside waste collected diverted into recycling or organic waste

processing. This success is achieved through the efforts of our contractors, officers and the local community.

Moira Shire continued to attract local, national and international investment with Council deciding 298 planning applications during the reporting period. We continued to improve our processing efficiency with the average processing time reduced by almost a week and a 20% increase in the number of applications processed within the 60 day target. This coincided with Council receiving several large, complex and in many cases sensitive applications.

## Organisational performance

At the end of June 2017, Council's financial position remains strong. Across all financial reporting indicators we have achieved solid results however the results are greatly influenced by the pre-payment of \$5.1 million of government grants for the coming 2017-18 year.

Our 2017-2021 strategic resource plan indicates that surpluses will continue over the next four years with no planned increase of staff numbers. Liquidity is very strong as we gear up for some major capital projects and continue to reduce debt.

Our staff are critical to the delivery of services, programs and works and we provide a safe and respectful workplace. The Enterprise Agreement agreed in late 2016 is ahead of industry standards and provides a sound and affordable basis for attracting, retaining and developing our valuable staff.

Late in the reporting period we commenced a restructuring of Council's senior management arrangements to provide a greater focus on community. During the preparation of this report the new structure was confirmed and will position council to more effectively manage and respond to future challenges.

## Thankyou

I would like 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**

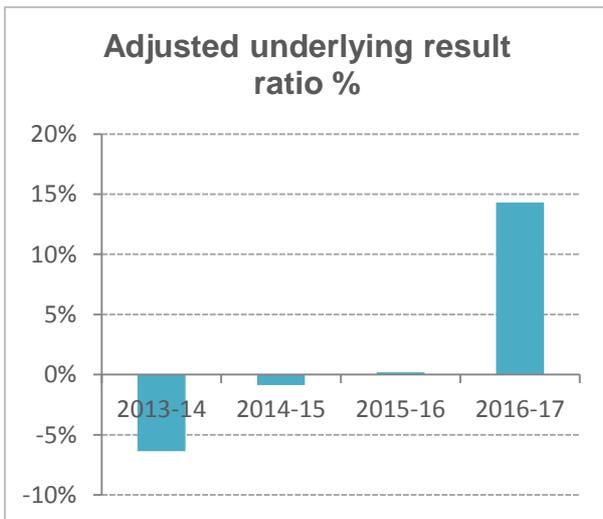
# Financial Summary

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 \$10.24 million in 2016-17. This surplus is higher than the prior year surplus of \$2.40 million, due in part to the 2016-17 result reflecting receipt of 50% of the Commonwealth Government's 2017-18 Financial Assistance Grants.

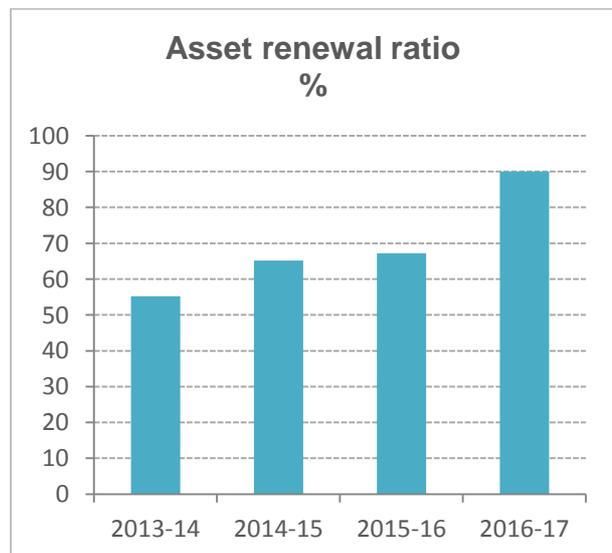
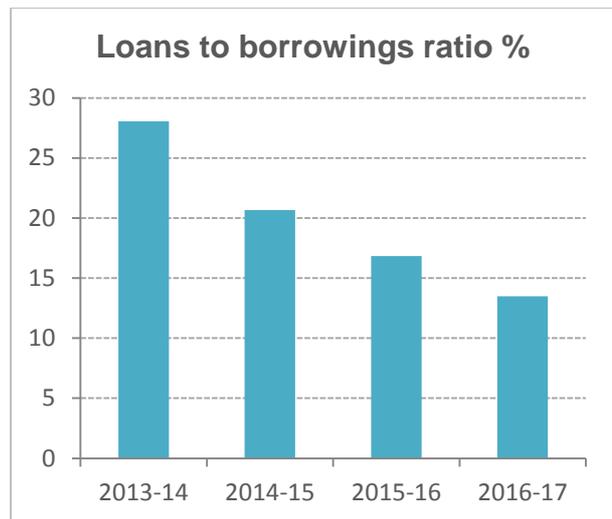
The adjusted underlying surplus (surplus after removing non-recurrent capital grants, cash and non-monetary capital contributions) is 14.30% when compared to adjusted underlying revenue. This is within the expected performance target band of -20% to 20% and continues the improvement seen over the past four years. Sustaining an adjusted underlying surplus is a critical financial strategy that provides capacity to renew the \$558 million of community assets under Council's control.



## 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 \$9.38 million in renewal works during the 2016-17 year. This was funded from operational income.

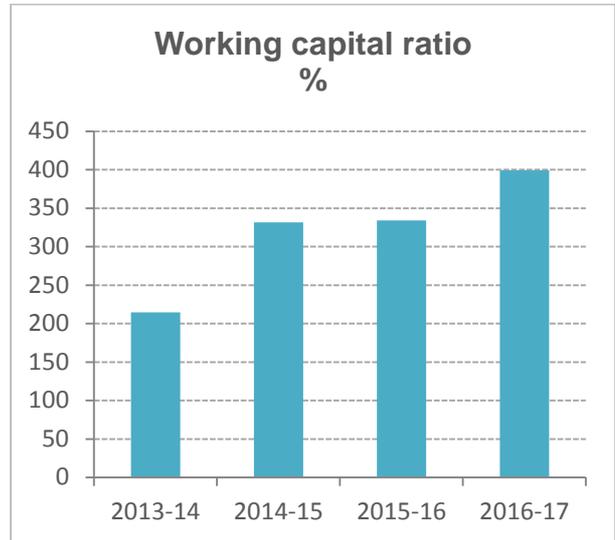
At the end of the 2016-17 year Council's debt ratio, which is measured by comparing interest-bearing loans and borrowings to rate revenue, was 13.5% which is well within the expected performance target band of 0% to 70%. Council's asset renewal ratio, which is measured by comparing asset renewal expenditure to depreciation, was 89.9% which is within the expected performance target band of 40% to 130%.



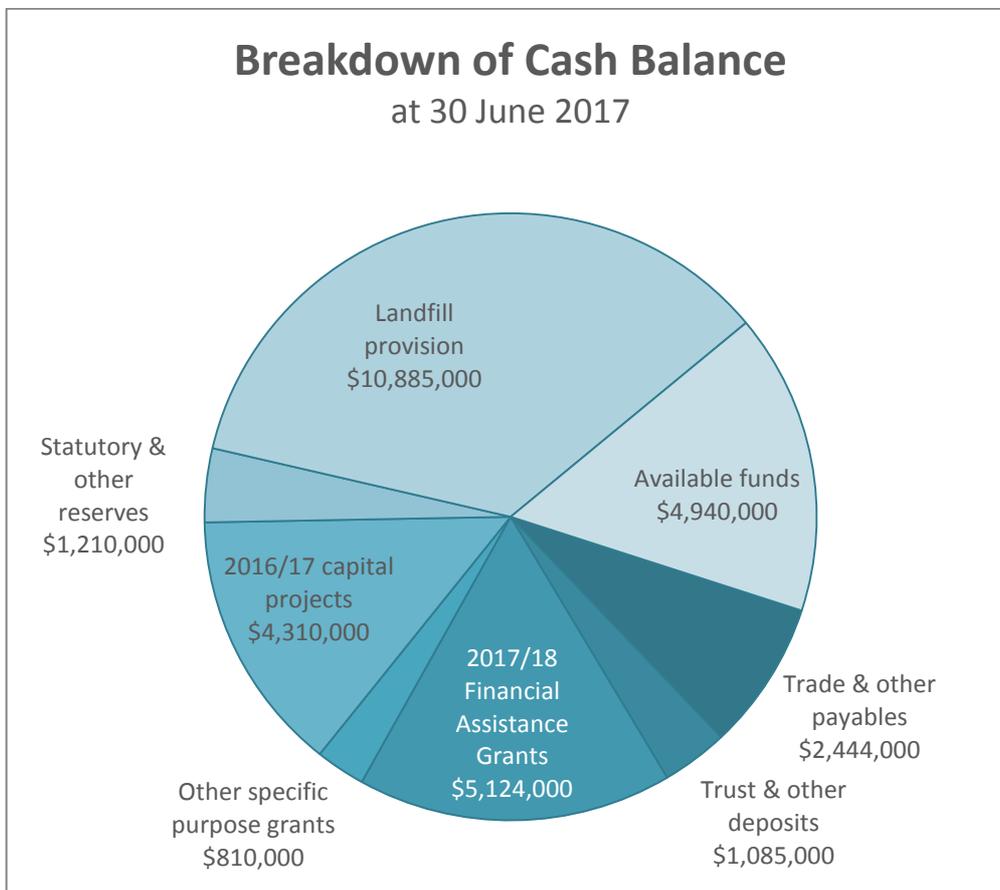
## Liquidity

Cash and other financial assets as at 30 June 2017 are \$30.81 million which is higher when compared to the 30 June 2016 figure of \$24.72 million due to the receipt of the 2017-18 Financial Assistance Grant in June 2017.

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 399.4% is an indicator of our satisfactory financial position falls within the expected performance target band of 100% to 400%.



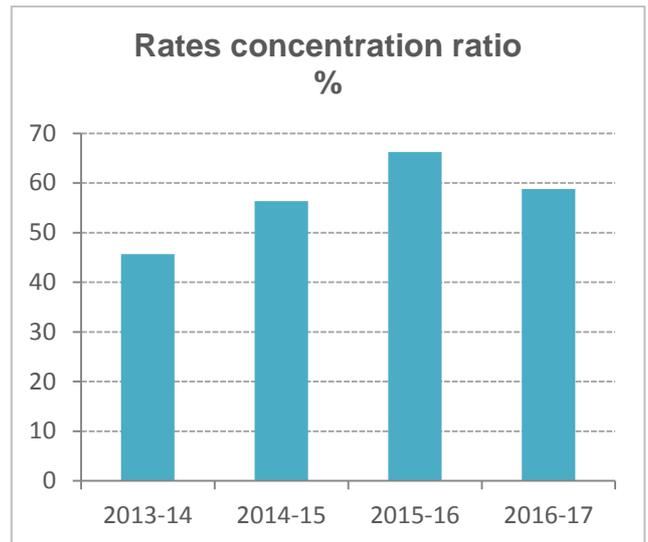
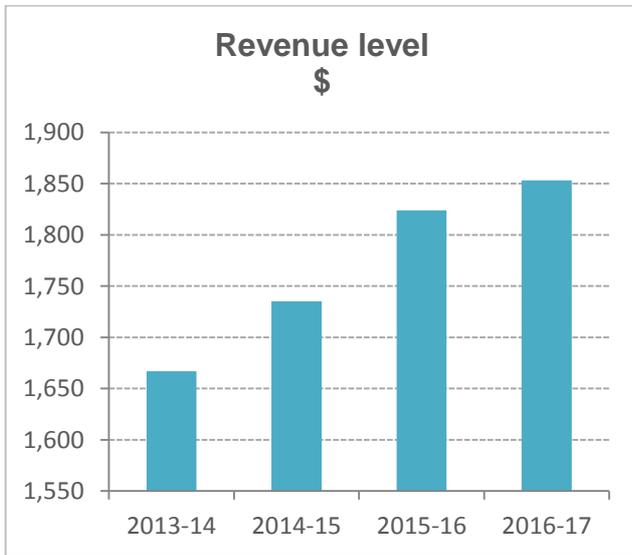
Council's \$30.81 million cash balance at 30 June 2017 includes \$25.87 million of commitments, reserves and prepaid grants. A total of \$4.94 million is available to Council to fund services and projects in 2017-18.



## 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 56.2% for the 2016-17 year which is within the expected performance target band of 30% to 80%.

Council has focused on broadening its revenue base and for the 2016-17 year was able to keep its rate increase to 2.5% in general rates and 2.5% in municipal charges. This resulted in an average residential rate per residential assessment of \$1,853.



## 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 2016-17 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

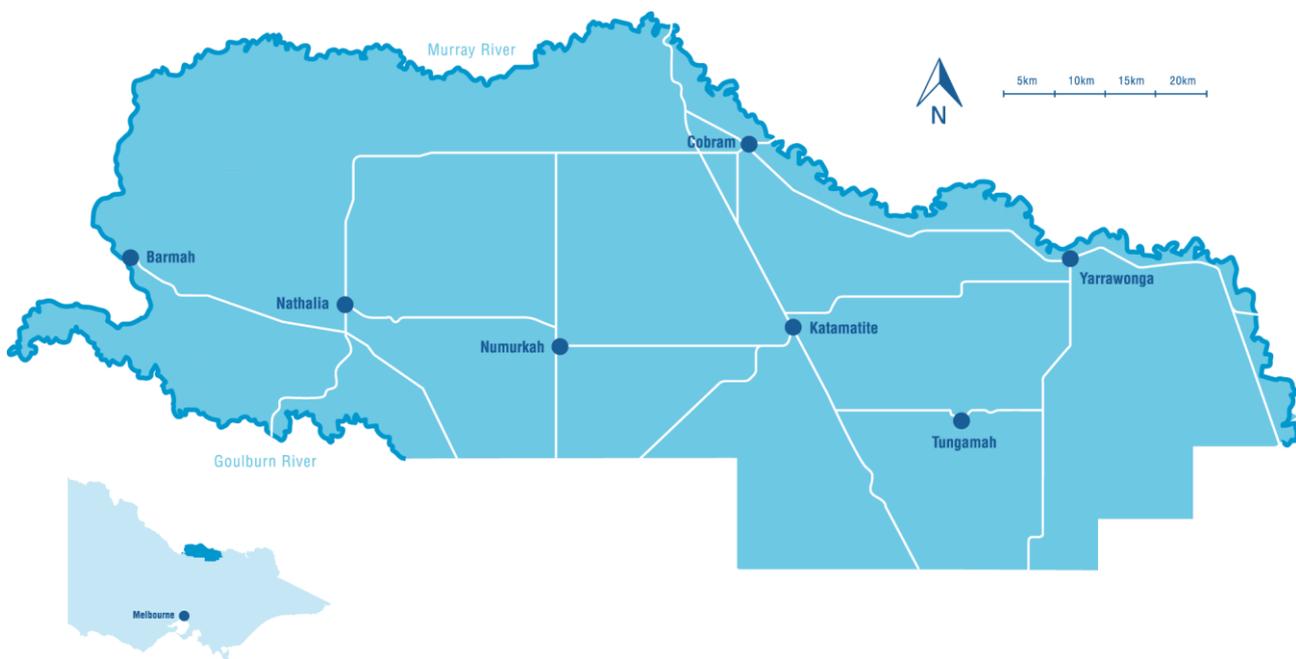
During the year Council continued to invest in the maintenance and upgrade of community assets and services as Council delivered its capital works program. Highlights included:

- Completion of the \$1.7 million Cobram Library.
- Reconstruction of sections of Parnell Road and Walshes Bridge Road
- \$1.3 million in road resealing
- \$1.5 million in gravel road and shoulder resheeting
- \$400,000 on footpath and kerb and channel works in Blake Street, Nathalia.
- Completion of the roundabout at the intersection of Woods Road and Witt Street in Yarrawonga
- Completion of the Witt Street footpath in Yarrawonga between Ely Street
- \$1 million in kerb and channel works across the shire including Yarrawonga, Numurkah, Strathmerton, and Cobram.
- Renewed the roof of the Numurkah Recreation Reserve building

### Major Achievements

- Council's organic waste kerbside collection service exceeded best practice standards with contamination rates averaging less than 0.5% in every month and 54.8% of all of Moira's kerbside waste diverted out of landfill and into recycled or organic processing.
- Council reviewed its Municipal Strategic Statement. The review brings this essential planning and development resource in line with contemporary planning requirements and reflects the current and future aspirations for land use across the Shire.
- Council delivered \$13.08 million of capital works – Moira's largest ever capital works program and a 35% increase from 2015-16.

# 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 Yarrowonga 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 28,887 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 approximately 3,000 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 Victorian City 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.

On 22 October 2017 John Beitzel, Peter Lawless and Libro Mustica were elected to Council, replacing Cr Brian Keenan, Cr Don McPhee and Cr Alex Monk. 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 Marie Martin elected Deputy Mayor. Cr Martin replaced the previous Deputy Mayor Ed Cox. The elected councillors at 30 June 2017 are listed below.



**CR GARY CLEVELAND**  
Mayor  
Mobile: 0419 211 027  
gcleveland@moira.vic.gov.au



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



**CR JOHN BEITZEL**  
Mobile: 0437 621 893  
jbeitzel@moira.vic.gov.au



**CR KEVIN BOURKE**  
Mobile: 0428 662 839  
kbourke@moira.vic.gov.au



**CR WENDY BUCK**  
Mobile: 0438 052 630  
wbuck@moira.vic.gov.au



**CR ED COX**  
Mobile: 0400 564 885  
ecox@moira.vic.gov.au



**CR PETER LAWLESS**  
Mobile: 0418 546 242  
plawless@moira.vic.gov.au



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



**CR LIBRO MUSTICA**  
Mobile: 0437 344 601  
lmustica@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. During the reporting period, the Council Management Team (CMT) was revised to comprise three General Managers and the CEO to lead the organisation. During the preparation of this report, the CEO confirmed the organisational structure and the senior officers reporting directly to the CEO as described below.



**MARK HENDERSON**  
Chief Executive Officer

Corporate Leadership  
People & Organisational



**ANDREW CLOSE**  
General Manager Infrastructure

Construction and Assets  
Operations  
Town Planning and Building  
Strategic Projects



**SALLY RICE**  
General Manager Community

Community Development  
Economic Development  
Safety, Amenity and Environment



**SIMON RENNIE**  
General Manager Corporate

Information Services  
Commercial Services  
Governance and Communications  
Finance and Revenue

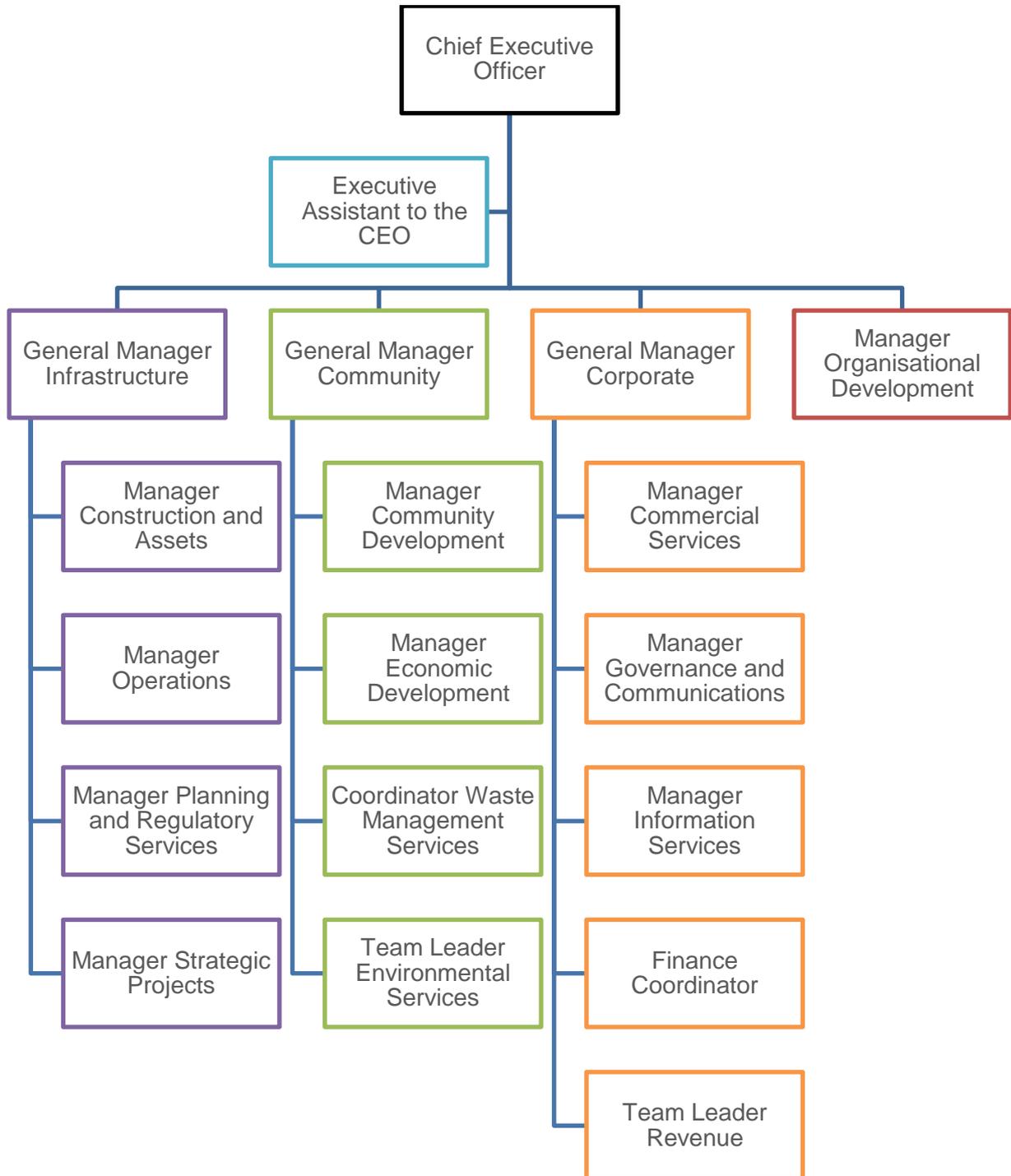


**BRANT DOYLE**  
Manager Organisational  
Development

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

## Council Staff

A chart setting out the organisational structure of Council at 30 June 2017 is shown below. The structure was revised during late 2016-17 and following year end the new structure was confirmed and implemented.

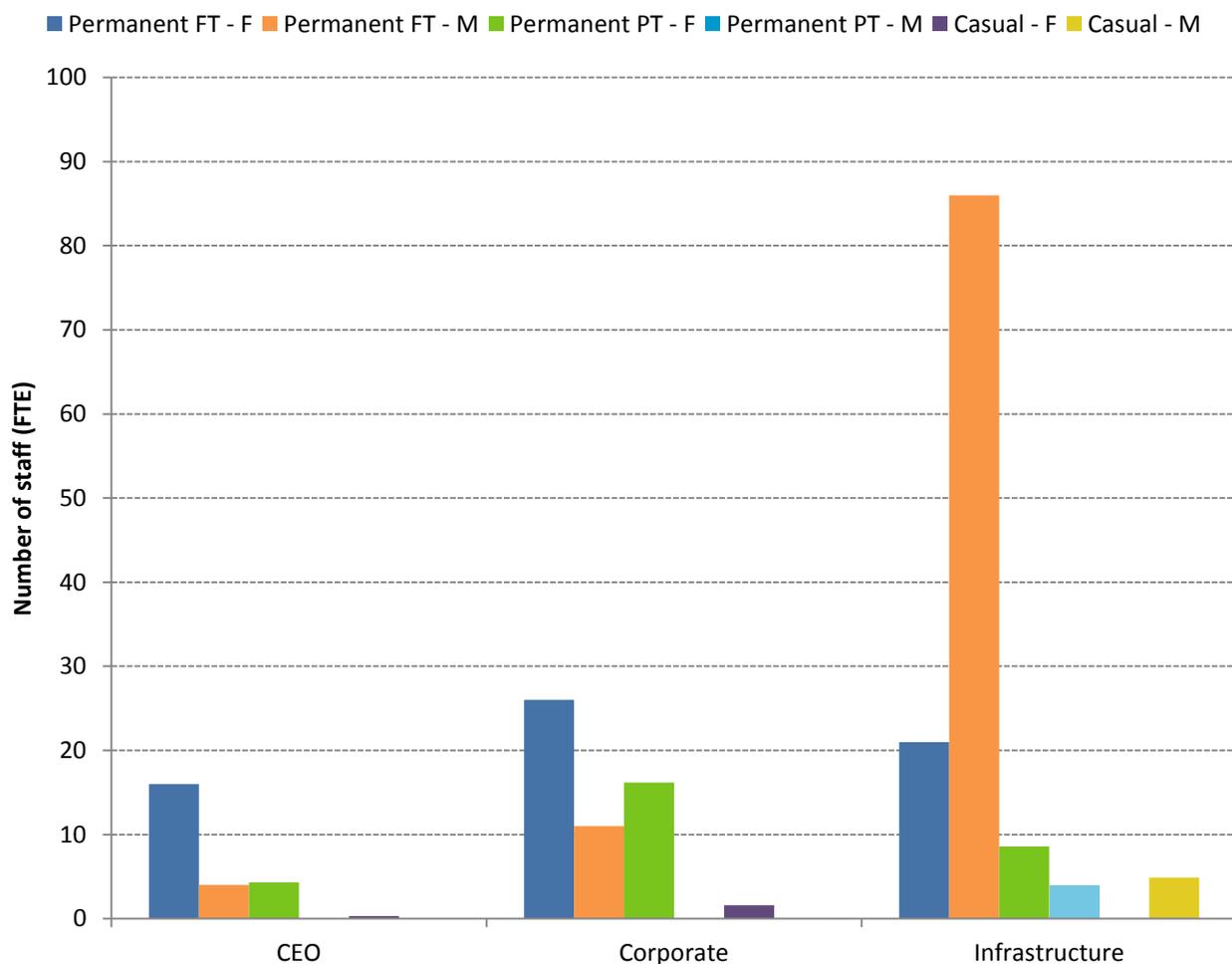


## Council Staff

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	16.0	26.0	21.0	63.0
Permanent FT – M	4.0	11.0	86.0	101.0
Permanent PT – F	4.3	16.2	8.6	29.1
Permanent PT – M			4.0	4.0
Casual – F	0.3	1.6	0.1	1.9
Casual - M		0.1	4.9	5.0
<b>Total</b>	<b>24.6</b>	<b>54.9</b>	<b>124.6</b>	<b>204.0</b>

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

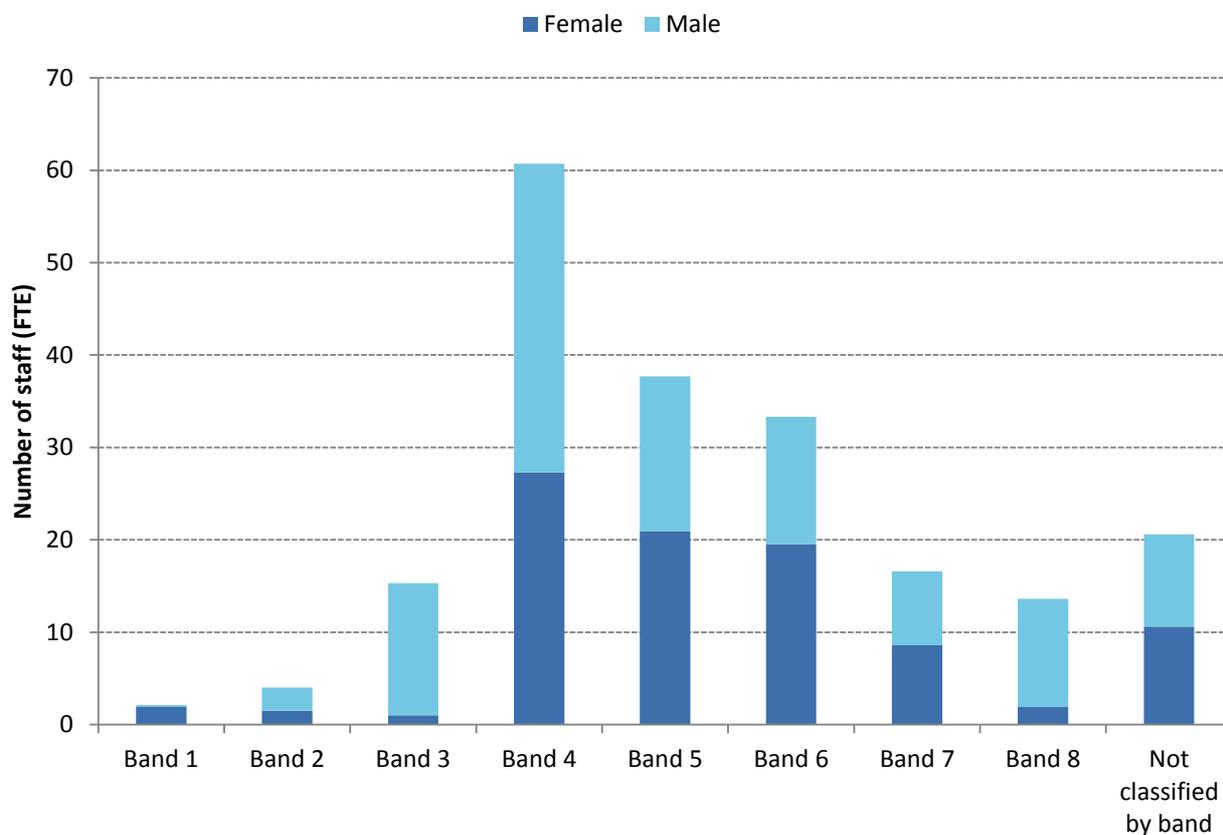


## Council Staff

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	1.9	0.2	2.1
Band 2	1.5	2.5	4.0
Band 3	1.0	14.3	15.3
Band 4	27.3	33.4	60.7
Band 5	20.9	16.8	37.7
Band 6	19.5	13.8	33.3
Band 7	8.6	8.0	16.6
Band 8	1.9	11.7	13.6
Not classified by band	10.6	10.0	20.6
<b>TOTAL</b>	<b>93.2</b>	<b>110.8</b>	<b>204.0</b>

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 2016-17.

Indicator	Target	2016-17 Result
Percentage of new employees receiving equal opportunity training with 6 months of commencement.	100%	72%
Percentage of existing employees receiving refresher equal opportunity training at least every 2 years.	100%	85%
Number of contact officers per number of council employees.	1:50	1:46

The indicators are monitored on an ongoing basis by the Staff Consultative Committee that meets quarterly 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 is 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 a result, a new Enterprise Agreement was successfully negotiated and approved by Fair Work Australia, with an operative date of 9 December 2016 for a period until 30 June 2020.

### Professional development

Moira Shire Council offers study assistance for staff undertaking relevant undergraduate or postgraduate studies. In the past year, 7 staff received support, including two staff who continued to study from the previous year. Council also provides a comprehensive learning and development program that supports a broad range of staff professional, compliance and 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, and facilitated workshops.

### 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 Chemicals Risk Register.

# Our performance

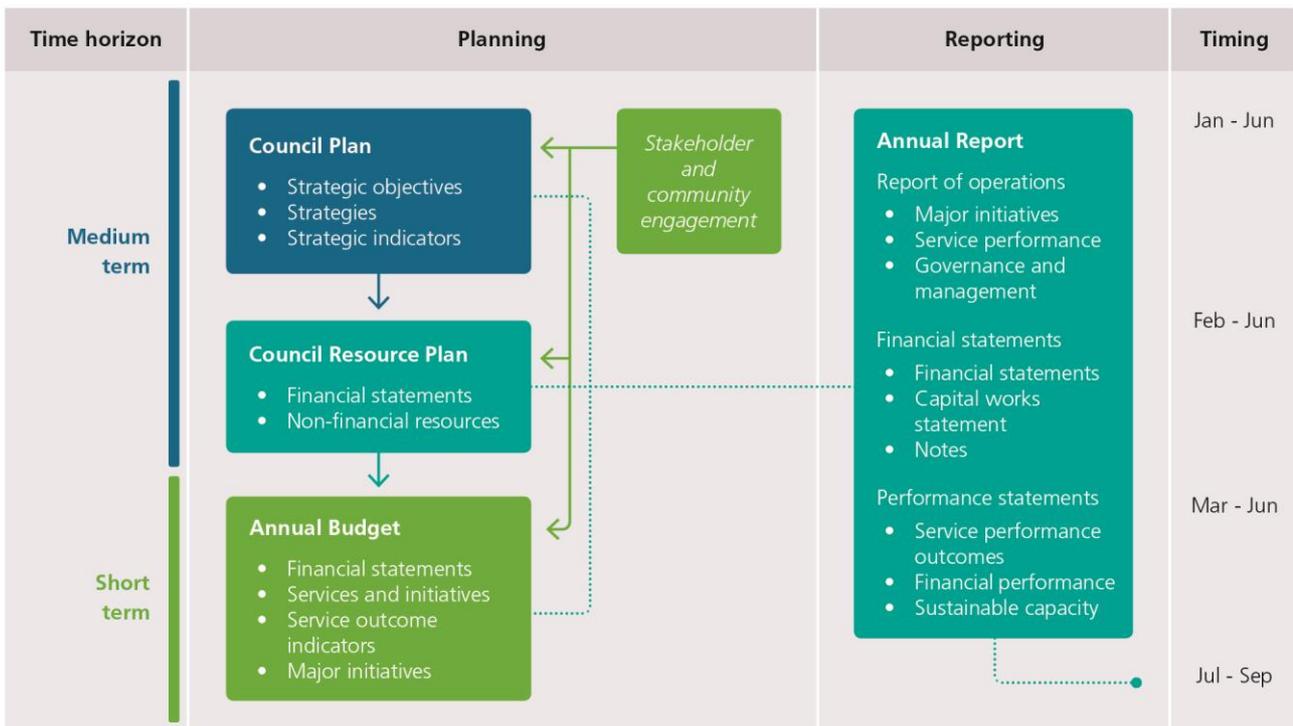
## Planning and Accountability Framework

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](http://www.moiravic.gov.au).

2017 Community Satisfaction Survey	%
Overall performance	53
Community consultation (community consultation and engagement)	51
Advocacy (lobbying on behalf of the community)	50
Making community decision (decisions made in the interest of the community)	51
Sealed local roads	44
Customer Service	63
Overall Council direction	50

# 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 2016-17 year has been reported against each strategic objective to demonstrate how council is performing in achieving the 2013-17 Council Plan. Performance has been measured as follows:

1. results achieved in relation to the strategic indicators in the Council Plan
2. services funded in the 2016-17 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 <ul style="list-style-type: none"> <li>• <i>Community Satisfaction Survey</i></li> </ul>	50	Council's performance is 3 points lower than in 2016.
Services		
The following statement provides information in relation to the services funded in the 2016-17 budget and the persons or sections of the community who are provided the service.		
Service 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.	1,236 1,153 <hr style="width: 50%; margin: 0 auto;"/> (83)

## 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 & highlights
Encourage safe and resilient communities	Council's continued its support of the Moira Community Safety Committee and continued to develop its Municipal Emergency Management capabilities .
Encourage healthy and active communities Immunisation rates	Council conducted a number of ICE forums to support community awareness, installed public exercise equipment in Yarrowonga and Numurkah and continued to operate and maintain a wide variety of recreational facilities from walking and cycling tracks to swimming pools and recreation reserves.
Support inclusive and connected communities	Council continued to support a range of community activities including Moira Multicultural Festival, development of the all abilities playground at Yarrowonga and through education and awareness campaigns supported access and inclusion.
Provide clean and attractive parks, gardens, streetscapes, reserves and wetlands	During the year Council completed maintenance and upgrade works including installation of exercise equipment in Yarrowonga and Numurkah, installation of all abilities playground on the Yarrowonga Foreshore and a range of streetscape works including Blake Street Nathalia.
Connect our communities via safe and efficient footpath and road networks <ul style="list-style-type: none"> <li>• <i>Compliance with Road Management Plan</i></li> </ul>	Achieved Council adopted an updated Road Management Plan.
Engage and empower the community in working towards a sustainable future	During the preparation of this report, Council adopted the 2017-2021 Environmental Sustainability Strategy following an extensive review during the reporting period. The review involved consultation with a range of key stakeholders and community. An Achievements Report was prepared to showcase the significant progress made in the previous four years.
Deliver effective waste management services <ul style="list-style-type: none"> <li>• <i>Compliance with requirements of the EPA</i></li> </ul>	Achieved Council met all compliance requirements.

### Major initiatives

The following statement reviews the progress of council in relation to major initiatives identified in the 2016-17 budget for the year

Major Initiatives	Progress
During 2016-17 Council completed construction of the Cobram Library (\$1.6 million net cost).	Complete
Council will continue to work with local community to progress ideas to build an all-abilities playground in Yarrowonga. (\$0.18 million net cost).	Council completed installation of all abilities playground equipment at a site in Yarrowonga.

Services

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

Service Areas	Description of Services provided	Net Cost Actual Budget
		Variance \$'000
Children, youth and families	<p>This service provides</p> <ul style="list-style-type: none"> <li>Contributions to nine community-based not for profit preschools to ensure quality and affordable preschool services across the Shire.</li> <li>Maternal and child health services in Cobram, Nathalia, Numurkah, Strathmerton and Yarrawonga and outreach services to our smaller centres.</li> <li>Youth services and events that connect and engage our younger citizens, such as Youth Council.</li> <li>Immunisation programs for infants and school children.</li> </ul>	803
		831
		28
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) 121
		151
Public health	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.	362 443
		81
Public safety	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.	552 855
		303
Environment Sustainability and Natural Resource Management	<p>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</p> <ul style="list-style-type: none"> <li>implementing Council's roadside management plan,</li> <li>management of Council's utilities including improving energy efficiency and reducing energy consumption,</li> <li>responding to planning and other referrals relating to Natural Resource Management,</li> <li>in partnership with other agencies managing Kinnairds Wetlands and</li> <li>managing funded projects aimed at assisting the community adapt to climate change.</li> </ul>	710 894
		184

Health and community wellbeing	<p>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, MHA Care, Moira Arts and Culture Inc., and Moira Foodbank.</p> <p>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.</p> <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>	<p>885 949</p> <hr/> <p>64</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>	<p>743 756</p> <hr/> <p>13</p>
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>	<p>3,901 4,022</p> <hr/> <p>121</p>
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.</p> <p>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>	<p>1,397 3,040</p> <hr/> <p>1,643</p>
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 &amp; 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>	<p>1,211 1,327</p> <hr/> <p>116</p>
Waste Management	<p>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.</p>	<p>(3,752) (3,370)</p> <hr/> <p>382</p>

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	2017	
<b>Libraries</b>				
Utilisation Library collection usage [Number of library collection item loans / Number of library collection items]	2.31	2.77	2.94	No material variation.
Resource standard Standard of library collection [Number of library collection items purchased in the last 5 years / Number of library collection items] x100	37.68%	45.09%	45.72%	No material variation.
Service cost Cost of library service [Direct cost of the library service / Number of visits]	\$3.84	\$3.72	\$3.91	No material variation.
Participation Active library members [Number of active library members / Municipal population] x100	18.83%	17.11%	18.07%	No material variation.
<b>Food Safety</b>				
Timeliness Time taken to action food complaints [Number of days between receipt and first response action for all food complaints / Number of food complaints]	0.00	1.00	1.00	From 1 July 2016, 'Time taken to action food complaints' will be reported by calendar year. Previously this indicator was reported by financial year. This has been implemented to better align reporting with the Department of Health and Human Services. This may result in some variances year on year.
Service standard Food safety assessments [Number of registered class 1 food premises and class 2 food premises that receive an annual food safety assessment in accordance with the Food Act 1984 / Number of registered class 1 food premises and class 2 food premises that require an annual food safety assessment in accordance with the Food Act 1984] x100	100.00%	100.00%	100.00%	No material variation.

Service cost Cost of food safety service [Direct cost of the food safety service / Number of food premises registered or notified in accordance with the Food Act 1984]	\$796.07	\$936.42	\$565.43	Cost reduction is driven by inclusion of Class 4 premises in this year's calculation, the increased number of food premises resulted in the significant reduction in the cost per food premises.
Critical and major non-compliance outcome notifications [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100	100.00%	100.00%	44.00%	From 1 July 2016, 'Critical and major non-compliance outcome notifications' will be reported by calendar year, (previously financial year). This is to better align reporting with the DHHS, this may result in some variances year on year. The 2017 result is impacted by a change to the measure where official warnings, notice of seizures and penalty infringements are followed up at the next annual inspection.
<b>Waste Collection</b>				
Satisfaction Kerbside bin collection requests [Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households] x1,000	44.39	26.80	23.51	The reduction is largely attributed to Council contractors undertakes regular audit identifying and addressing bin repair and replacement needs.
Service standard Kerbside collection bins missed [Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts] x10,000	0.38	0.39	0.63	Increase is due to changes in reporting requirements.
Service cost Cost of kerbside garbage collection service [Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]	\$123.33	\$108.85	\$126.78	2016 result was incorrectly reported, final invoices paid were not included in calculations.
Cost of kerbside recyclables collection service [Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins]	\$47.50	\$45.61	\$41.74	No material variation.
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%	54.81%	No material variation.

Animal Management				
<p>Timeliness</p> <p>Time taken to action animal requests [Number of days between receipt and first response action for all animal management requests / Number of animal management requests]</p>	0.00	0.00	1.00	No material change. The variation reflects adjustments to reporting requirements that recognise time taken up to 24 hours as 1 day previously this was reported as zero days.
<p>Service standard</p> <p>Animals reclaimed [Number of animals reclaimed / Number of animals collected]</p>	20.00%	15.90%	19.03%	Animal registration door knock campaign conducted by Council increased the number of registered animals able to be reclaimed.
<p>Service cost</p> <p>Cost of animal management service [Direct cost of the animal management service / Number of registered animals]</p>	\$45.08	\$55.54	\$61.10	A review of Council's animal register confirmed a net reduction in the number of registered animals.
<p>Health and safety</p> <p>Animal management prosecutions [Number of successful animal management prosecutions]</p>	0.00	0.00	1	1 animal management prosecution was successful in the reporting period
Roads				
<p>Satisfaction of use</p> <p>Sealed local road requests [Number of sealed local road requests / Kilometres of sealed local roads] x100</p>	19.11	16.79	24.01	Council's investment in the maintenance and upgrade of its local road network increased from \$9.9 million in 2016 to \$11.8 million in 2017. This coincided with an extended wet winter/spring which significantly impacted the condition of sealed local roads, increased the number of requests and delayed planned works programs into 2017.
<p>Condition</p> <p>Sealed local roads below the intervention level [Number of kilometres of sealed local roads below the renewal intervention level set by council / Kilometres of sealed local roads] x100</p>	87.01%	99.73%	93.70%	No material variation.
<p>Service cost</p> <p>Cost of sealed local road reconstruction [Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]</p>	\$28.20	\$26.73	\$40.46	Review of internal processes identified errors in previous years reporting results, 2017 results reflect changes to road assets.

Cost of sealed local road resealing [Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]	\$5.79	\$4.34	\$5.02	Review of internal processes identified errors in previous years reporting results, 2017 results reflect changes to road assets.
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	44.00	Council's investment in the maintenance and upgrade of its local road network increased from \$9.9 million in 2016 to \$11.8 million in 2017. This coincided with an extended wet winter/spring which significantly impacted the condition of sealed local roads and delayed works programs into 2017 and after the survey period.
<b>Aquatic Facilities</b>				
Service standard Health inspections of aquatic facilities [Number of authorised officer inspections of council aquatic facilities / Number of council aquatic facilities]	4.43	0.00	1.00	Council's 7 aquatic facilities were inspected during this reporting period
Reportable safety incidents at aquatic facilities [Number of WorkSafe reportable aquatic facility safety incidents]	^0^	2.00	1.00	One incident was reported to WorkSafe in accordance with Council procedures compared to two in 2015-16. No further action resulted.
Service cost Cost of indoor aquatic facilities [Direct cost of indoor aquatic facilities less income received / Number of visits to indoor aquatic facilities]	\$11.01	\$10.16	\$10.05	No material variation.
Cost of outdoor aquatic facilities [Direct cost of outdoor aquatic facilities less income received / Number of visits to outdoor aquatic facilities]	\$8.55	\$6.62	\$6.89	No material variation.
Utilisation Utilisation of aquatic facilities [Number of visits to aquatic facilities / Municipal population]	2.50	2.76	2.79	No material variation.

Maternal and Child Health (MCH)				
Satisfaction Participation in first MCH home visit [Number of first MCH home visits / Number of birth notifications received] x100	95.74%	106.20%	97.83%	No material variation.
Service standard Infant enrolments in the MCH service [Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received] x100	94.41%	102.54%	100.81%	No material variation.
Service cost Cost of the MCH service <sup>i</sup> [Cost of the MCH service / Hours worked by MCH nurses]	\$195.13	\$99.44	\$91.62	No material variation.
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%	69.77%	74.18%	No material variation.
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%	72.99%	85.59%	A data fix has been implemented by MAV which more accurately reflects the participation rates. Council actively ensured ATSI clients were engaged in the MCH service.

### 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 and highlights
Strengthen and grow the Moira economy	Moira Shire attracted more than \$187 million of local, national and international investment during the reporting period.
Strengthen Moira's tourism offer	Through its support of Sun Country on the Murray and Murray Tourism, locations across the Moira Shire featured in significant statewide and national marketing campaigns. At the time of preparing the report Council is finalising a comprehensive review of its Visitor Services to improve their ability to attract and service visitors to the Shire. Council introduced a range of trial and ongoing initiatives to support RV friendly travel within the Shire.
Build community and investor confidence in Council's land use planning.	At the time of preparing this report Council has approved forwarding the revised municipal strategic statement for ministerial approval. Council commissioned and adopted retail policy frameworks for Cobram and Yarrawonga. Victorian Planning Authority in partnership with Council commenced development of the Yarrawonga Growth Management Strategy.

#### Major initiatives

The following statement reviews the progress of council in relation to major initiatives identified in the 2016-17 budget for the year

Major Initiatives	Progress
The major review of Council's Municipal Strategic Statement will commence in 2015 (\$Nil net cost).	At the time of preparing this report Council has approved forwarding the revised municipal strategic statement for ministerial approval.
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 2016-17 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.	302 298 <hr/> (4)
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.	490 968 <hr/> 478
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.	761 896 <hr/> 135
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.	1,048 1,208 <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	2017	
<b>Statutory Planning</b>				
<b>Timeliness</b> Time taken to decide planning applications [The median number of days between receipt of a planning application and a decision on the application]	59.00	62.00	56.50	No material variation
<b>Service standard</b> Planning applications decided within 60 days [Number of planning application decisions made within 60 days / Number of planning application decisions made] x100	51.77%	59.00%	69.80%	From 1 July 2016 this indicator was updated to include VicSmart planning applications which should be assessed within 10 days. This may result in some variances year on year.
<b>Service cost</b> Cost of statutory planning service [Direct cost of statutory planning service / Number of planning applications received]	\$2,401.90	\$2,382.68	\$3,687.12	A significant increase in matters being held at VCAT from 15/16 and increase in legal costs
<b>Decision making</b> 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%	85.71%	7 appeals were lodged with VCAT during the reporting period, the outcomes of the decision; 4 varied, 2 affirmed and 1 struck out

## Strategic objective 4: Smarter delivery of Service and programs

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) <ul style="list-style-type: none"> <li>Community Satisfaction Survey</li> </ul>	63	Council's performance dropped by four points during 2017. Only three out of ten of survey respondents indicated they had contact with Council during the year and prior to completing the survey.
Moira is a great place to work <ul style="list-style-type: none"> <li>Staff turnover</li> </ul>	9.11%	No material variation
Moira is a safe place to work <ul style="list-style-type: none"> <li>WorkCover Premium lower than the Average Industry Rate</li> <li>No increase in number of Lost Time Injury claims</li> <li>Ratio of OHS near misses to reported incidents 1:1</li> </ul>	Not achieved	Two workers compensation claims were made during the year and triggered an increase in Council's Work Cover Premium.

### Major initiatives

The following statement reviews the progress of council in relation to major initiatives identified in the 2016-17 budget for the year

Major Initiatives	Progress
Develop first stage of 3 year customer service excellence strategy	Significant progress was made in the implementation of IT systems to support the accurate and timely recording and reporting of customer service activity across the business.

## Services

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

Service 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.	507 583 <hr/> 76
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.	2,182 2,603 <hr/> 421
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.	1,551 1,616 <hr/> 65

## 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"> <li>• Performance against VAGO indicators</li> <li>• Unqualified audit opinions</li> </ul>	Achieved Achieved	

### Services

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

Service 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.	(26,639) <u>(22,831)</u> 3,808

## 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	Comments
Support community lead planning and change	Council commenced the first community planning project under the revised community planning framework. Council has supported the Strathmerton community to develop a vision for their community. Planning also commenced in Tungamah and Katamatite.

### Services

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

Service 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.	158 268 ----- 110
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.	1,302 1,074 ----- (228)

## 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"> <li>Legislative compliance</li> <li>Meet audit and risk requirements</li> <li>Community satisfaction</li> </ul>	Achieved	
Manage business risks to appropriately safeguard our assets, our community, and our business operations <ul style="list-style-type: none"> <li>Legislative and procedural compliance</li> </ul>	Achieved	
Ensure compliance with relevant legislation, regulation and standards <ul style="list-style-type: none"> <li>No adverse findings or reports from regulatory agencies</li> <li>No breaches of legislation, regulations or Standards</li> </ul>	Achieved	

### Services

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

Service Areas	Description of Services provided	Net Cost
		Variance
		Actual Budget
		\$'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.	1,293
		1,658
		365
Commercial Services	This service is responsible for the maintenance, management and strategic planning for Council's building, land and property leases and licenses.	27
		245
		218

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	2017	
<b>Governance</b>				
<p>Transparency</p> <p>Council resolutions at meetings closed to the public                      [Number of council resolutions made at ordinary or special meetings of council, or at meetings of a special committee consisting only of councillors, closed to the public / Number of council resolutions made at ordinary or special meetings of council or at meetings of a special committee consisting only of councillors] x100</p>	24.43%	27.87%	21.11%	Council continued to determine contracts and tenders in closed sessions.
<p>Consultation and engagement</p> <p>Satisfaction with community consultation and engagement                      [Community satisfaction rating out of 100 with how council has performed on community consultation and engagement]</p>	52.00	51.00	53.00	No material variation.
<p>Attendance</p> <p>Council attendance at council meetings                      [The sum of the number of councillors who attended each ordinary and special council meeting / (Number of ordinary and special council meetings) x (Number of councillors elected at the last council general election)] x100</p>	95.56%	89.58%	94.44%	No material variation.
<p>Service cost</p> <p>Cost of governance                      [Direct cost of the governance service / Number of councillors elected at the last council general election]</p>	\$31,801.33	\$40,433.78	\$38,629.89	No material variation.
<p>Satisfaction</p> <p>Satisfaction with council decisions                      [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]</p>	51	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"> <li>VAGO Indicators</li> </ul>	Achieved	

### Major initiatives

The following statement reviews the progress of council in relation to major initiatives identified in the 2016-17 budget for the year

Major Initiatives	Progress
Deliver capital works to budget and schedule	At 30 June Council had delivered 90% of the adopted capital works program and committed \$1.11M of works that will be carried over into the 2017/18 program delivery

### Service performance indicators

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

Service 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.	783 778 ----- (5)
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.	1,386 1,810 ----- 424
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.	763 753 ----- (10)
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.	9,366 5,595 ----- (3,771)

# 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 conducts open public meetings in the fourth week of each month. Members of the community are welcome to attend these meetings and observe from the gallery. Council meetings also provide the opportunity for community members to submit a question to the council, make a submission or speak to an item. For the 2016-17 year council held the following meetings:

- 10 ordinary council meetings
- 4 special council meetings.

The following table provides a summary of councillor attendance at council meetings and special council meetings during 2016-17 where the Councillor was eligible to attend. Absence is recorded if the councillor did not seek leave prior to the meeting.

Councillors	Council Meeting	Special Council Meeting	Total
Cr Gary Cleveland (Mayor)	10/10	4/4	14
Cr Marie Martin (Deputy Mayor)	9/10	4/4	13
Cr Ed Cox	10/10	4/4	14
Cr Peter Mansfield	10/10	4/4	14
Cr Kevin Bourke	10/10	4/4	14
Cr Wendy Buck	8/10	3/4	11
Cr John Beitzel	7/7	2/3	9
Cr Libro Mustica	5/7	3/3	8
Cr Peter Lawless	7/7	3/3	10
Cr Brian Keenan	3/3	1/1	4
Cr Alex Monk	3/3	1/1	4
Cr Don McPhee	3/3	1/1	4

## Special Committees

The Local Government Act 1989 allows councils to establish one or more special committees comprising

- 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		Purpose - <i>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	0	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	10	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	12	Koonoomoo Recreation Reserve
Lake Rowan Hall Committee of Management	1	1	10	9	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	16	Nathalia Showgrounds and Recreation Reserve
Numurkah Showgrounds Reserve Committee of Management	1	1	12	9	Numurkah Showgrounds Reserve

Numurkah Town Hall Committee of Management	1	1	8	8	Numurkah Town Hall
Picola Public Hall Committee of Management	1	1	14	6	Picola Public Hall
Picola Recreation Reserve Committee of Management	1	1	14	13	Picola Recreation Reserve
St James Public Hall Committee of Management	1	1	15	15	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	10	Yalca North Recreation Reserve
Yarrowonga Eastern Foreshore Committee of Management	1	1	11	11	Yarrowonga Eastern Foreshore
Yarrowonga JC Lowe Oval Reserve Committee of Management	1	1	7	7	Yarrowonga JC Lowe Oval Reserve
Yarrowonga Showgrounds Reserve / Victoria Park Committee of Management	1	1	26	21	Yarrowonga 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	8	Yarroweyah Recreation Reserve

## Other committees

Council has established committees to assist its 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.

Committees (at 30 June 2017)	Councillor
Moira Shire Multicultural Advisory Committee	2
Tourism Advisory Committee	1
Moira Shire Disability Advisory Committee	2
Moira Shire Environment Sustainability Advisory Committee	2
Moira Shire Youth Council	3
Moira Shire Friends of Kinnairds Wetland	-
Moira Shire Community Safety Committee	2
Moira Shire Municipal Public Health and Wellbeing Plan Advisory Committee	2
Moira Shire Council Audit Committee	3
Numurkah Flood Study Community Reference Group	1
Barmah Forest Heritage and Education Centre Advisory Committee	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 8 February 2017, Council adopted a revised Councillor Code of Conduct which is designed to:

- Assist councillors to maintain the highest standards of conduct and behaviour as well as provide a means to deal with problems they may encounter
- Attract the highest level of confidence from Council's stakeholders
- Assist the mayor and councillors to discharge the responsibilities of their public office appropriately.

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

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

- Roles and relationships
- Dispute resolution procedures.

## Councillor-Staff Interaction Protocol

Councillors-Staff interaction protocol was implemented during the year to support the councillor and staff codes of conduct and provide guidance and support for the interaction between Councillors, Council staff and contractors in performance of their duties. Specifically the protocol aims to

- Guide professional, courteous and productive working relations between Councillors and Council Staff;
- Recognise the respective roles and responsibilities of Councillors and Council Staff, in particular the Chief Executive Officer (CEO), and their obligations contained in the Codes of Conduct;
- Maintain transparent decision making and governance arrangements;
- Support compliance with the provisions of the Local Government Act 1989, and
- Recognise the responsibilities of the Council under the Occupational Health and Safety Act 2004 and the Equal Opportunity Act 2010 to protect people from risks to their health and safety including harassment, bullying, violence and discrimination.

## 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 2016-17, 18 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 2016 to 30 November 2016, the councillor annual allowance for a category 2 council (as defined by the Local Government Act 1989) was fixed at \$24,127 per annum and the allowance for the mayor was \$74,655 per annum. The Minister for Local Government approved an annual adjustment of 2.5 per cent to take effect as from 1 December 2016. The annual allowances were adjusted for the period 1 December 2015 to 30 June 2016 at \$24,730 per annum for the councillor allowance and \$76,521 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)	80,112
Cr Marie Martin (Deputy Mayor)	25,890
Cr John Beitzel	17,660
Cr Kevin Bourke	25,890
Cr Wendy Buck	25,890
Cr Ed Cox	25,890
Cr Peter Lawless	17,660
Cr Peter Mansfield	25,890
Cr Libro Mustica	17,660
Cr Brian Keenan	8,231
Cr Alex Monk	8,231
Cr Don McPhee	8,231

## 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 2016-17 year are set out in the following table.

Councillors	Travel \$	Information & Comms Expenses \$	Conferences & Training \$	Total \$
Cr Gary Cleveland (Mayor)	13,499	1,023	1,354	15,876
Cr Marie Martin (Deputy Mayor)	5,354	1,169	3,064	9,587
Cr John Beitzel		291		291
Cr Kevin Bourke	6,111	721		6,832
Cr Wendy Buck	5,272	772	500	6,544
Cr Ed Cox		1,249		1,249
Cr Peter Lawless	2,505	291		2,796
Cr Peter Mansfield	4,740	463	782	5,985
Cr Libro Mustica		530		530
Cr Brian Keenan	368	352		720
Cr Alex Monk	436	412	500	1,348
Cr Don McPhee	424	291	482	1,197

## 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 Marie Martin 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.

The Audit Committee met five times during 2016-17. 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 2016-17 the following reviews were conducted:

- Credit Card Management;
- Governance;

- Human Resource Management;
- Business Continuity Plan and IT Disaster Recovery;
- Work Order Management.

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/officer 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 September 2016, 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, and
- a performance measurement system to determine the effectiveness of the framework.

A review of the Risk Management Policy and Risk Management Plan commenced.

# Governance and Management Checklist

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

Governance and Management Items	Assessment
1. <b>Community engagement policy</b> (policy outlining council's commitment to engaging with the community on matters of public interest)	Communication Engagement Strategy: 06/2007, Communication Engagement Strategy amended: 09/2011
2. <b>Community engagement guidelines</b> (guidelines to assist staff to determine when and how to engage with the community)	Communication Engagement Strategy: 06/2007, Communication Engagement Strategy amended: 09/2011
3. <b>Strategic Resource Plan</b> (plan under section 126 of the Act outlining the financial and non-financial resources required for at least the next 4 financial years)	Adopted in accordance with Section 126 of the Act Date of Adoption : 14 June 2017
4. <b>Annual budget</b> (plan under section 130 of the Act setting out the services to be provided and initiatives to be undertaken over the next 12 months and the funding and other resources required)	Adopted in accordance with section 130 of the Act Date of Adoption: 14 June 2017
5. <b>Asset management plans</b> (plans that set out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)	Plans Date of operation of current plans: 17 August 2009
6. <b>Rating strategy</b> (strategy setting out the rating structure of Council to levy rates and charges)	No strategy Review of strategy has commenced and will be completed 2017-18.
7. <b>Risk policy</b> (policy outlining Council's commitment and approach to minimising the risks to Council's operations)	Policy Date of operation of current policy: 19 September 2016
8. <b>Fraud policy</b> (policy outlining council's commitment and approach to minimising the risk of fraud)	Policy Date of operation of current policy: 19 September 2016
9. <b>Municipal emergency management plan</b> (plan under section 20 of the Emergency Management Act 1986 for emergency prevention, response and recovery)	Municipal Emergency Management Plan prepared: 25/05/2015, Municipal Emergency Management Plan Audit: 11/11/2016
10. <b>Procurement policy</b> (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

<p>11. <b>Business continuity plan</b> (plan setting out the actions that will be undertaken to ensure that key services continue to operate in the event of a disaster)</p>	<p>Business Continuity Plan: May 2010 Amended: November 2012</p>
<p>12. <b>Disaster recovery plan</b> (plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster)</p>	<p>Plan Date of operation of the current plan: December 2014</p>
<p>13. <b>Risk management framework</b> (framework outlining council's approach to managing risks to the Council's operations)</p>	<p>Framework Date of operation of current framework 25 June 2013</p>
<p>14. <b>Audit Committee</b> (advisory committee of council under section 139 of the Act whose role is to oversee the integrity of a council's financial reporting, processes to manage risks to the council's operations and for compliance with applicable legal, ethical, and regulatory requirements)</p>	<p>Established in accordance with section 139 of the Act Date of establishment: March 1997 Audit Committee Charter adopted: 24 August 2015</p>
<p>15. <b>Internal audit</b> (independent accounting professionals engaged by the council to provide analyses and recommendations aimed at improving council's governance, risk and management controls)</p>	<p>Engaged Date of engagement of current provider 12 April 2016</p>
<p>16. <b>Performance reporting framework</b> (a set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 131 of the Act)</p>	<p>Framework Date of operation of current framework: 20 June 2016</p>
<p>17. <b>Council Plan reporting</b> (report reviewing the performance of the council against the Council Plan, including the results in relation to the strategic indicators, for the first six months of the financial year)</p>	<p>Report Report prepared: February 2017</p>
<p>18. <b>Financial reporting</b> (quarterly statements to Council under section 138 of the Act comparing budgeted revenue and expenditure with actual revenue and expenditure)</p>	<p>Quarterly statement 1: 21/11/2016, 22/02/2017, 24/05/ 2017, Annual budget: 14/06/2017</p>
<p>19. <b>Risk reporting</b> (six-monthly reports of strategic risks to council's operations, their likelihood and consequences of occurring and risk minimisation strategies)</p>	<p>Reports: 19 September 2016, 19 December 2016, 22 March 2017, 28 June 2017</p>

20. <b>Performance reporting</b> (six-monthly reports of indicators measuring the results against financial and non-financial performance, including performance indicators referred to in section 131 of the Act)	Report Report prepared: February 2017
21. <b>Annual report</b> (annual report under sections 131, 132 and 133 of the Act to the community containing a report of operations and audited financial and performance statements)	Considered at meeting of Council in accordance with section 134 of the Act. Date considered: 19 September 2016
22. <b>Councillor Code of Conduct</b> (Code under section 76C of the Act setting out the conduct principles and the dispute resolution processes to be followed by Councillors)	Reviewed in accordance with section 98(6) of the Act Date of review: 8 February 2017
23. <b>Delegations</b> (a document setting out the powers, duties and functions of council and the Chief Executive Officer that have been delegated to members of staff)	Reviewed in accordance with section 98(6) of the Act Date of review: 18 February 2013 Instruments updated: 26 October 2015
24. <b>Meeting procedures</b> (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: 24 May 2017

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



Mark Henderson  
Chief Executive Officer

Dated: 20 September 2017



Cr Gary Cleveland  
Mayor

Dated: 20 September 2017

# 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 regulation 12 of the Local Government (General) Regulations 2015 the following are prescribed documents that are available for public inspection or copies of the documents can be obtained for the purposes of section 222 of the Act at Moira Shire Council Office, 44 Station Street, Cobram, with some available 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.

## Contracts

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

## Disability Action Plan

In accordance with section 38 of the Disability Act 2006, as council has prepared a Disability Action Plan it must report on the implementation of the Disability Action Plan in its annual report.

During 2016-17 Council continued to meet the actions identified in the plan including:

- Developing a new Disability Access and Inclusion Plan based on community and staff priorities
- Development of an Easy English version of Councils Disability Access and Inclusion Plan
- Engagement with community members and school children through an All Abilities Concert to Celebrate International Day of People with Disability
- Development and promotion of a Good Access = Good Business Guide
- Engagement with local community members and community associations to deliver the Enabling Women's Leadership Program
- Induction training on the Disability Access and Inclusion Plan to new staff
- Advocacy for increased information on NDIS.

## Domestic Animal Management Plan

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

The 2013-2017 Domestic Animal Management Plan has been reviewed and has been found to be current, with no changes made.

2016-17 Domestic Animal Management activity at 30 June 2017		
	Dogs	Cats
Impounded	212	429
Claimed/returned to owner	102	24
Rehoused	65	114
Euthanised	37	267
Still in pound	6	2
In foster care	1	5
Died in pound	1 (old age)	17 (cat flu/stillborn)

The 2018-2021 Domestic Animal Management Plan draft is currently being finalised.

## 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](http://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.

## Infrastructure and development contributions

In accordance with section 46GM and 46QD of the *Planning and Environment Act 1987*, a council that is a collecting or development agency must prepare and give a report to the Minister for Planning on infrastructure and development contributions including levies and works in kind. The report must be published in a council's annual report.

In 2016-17 Council had no infrastructure and development contributions.

# 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 28,887 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 approximately 3,000 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 2017

<i>Indicator/measure</i>	Results			Material Variations
	2015	2016	2017	
<b>Population</b>				
<i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$1,919.43	\$1741.36	\$1,797.90	No material variations
<i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$13,563.33	\$14,039.52	\$15,118.95	No material variations
<i>Population density per length of road</i> [Municipal population / Kilometres of local roads]	7.89	7.89	7.89	No material variations
<b>Own-source revenue</b>				
<i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$1,267.89	\$1,347.09	\$1,380.72	No material variations
<b>Recurrent grants</b>				
<i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$609.14	\$384.11	\$696.02	Variance driven by receipt of 50% of 2017/18 Financial Assistance Grant in 2016/17.
<b>Disadvantage</b>				
<i>Relative socio-economic disadvantage</i> [Index of Relative Socio-economic Disadvantage by decile]	2.00	2.00	2.00	No material variations

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## 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 2017

Service/indicator/measure	Results			Material Variations
	2015	2016	2017	
<b>AQUATIC FACILITIES</b>				
<b>Utilisation</b>				
<i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	2.50	2.76	2.79	No material variation.
<b>ANIMAL MANAGEMENT</b>				
<b>Health and safety</b>				
<i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	0.00	0.00	1.00	1 animal management prosecution was successful in the reporting period.
<b>FOOD SAFETY</b>				
<b>Health and safety</b>				
<i>Critical and major non-compliance notifications</i> [Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance notifications and major non-compliance notifications about food premises] x100	100.00%	100.00%	44.00%	From 1 July 2016, 'Critical and major non-compliance outcome notifications' will be reported by calendar year, (previously financial year). This is to better align reporting with the DHHS, this may result in some variances year on year. The 2017 result is impacted by a change to the measure where official warnings, notice of seizures and penalty infringements are followed up at the next annual inspection.
<b>GOVERNANCE</b>				
<b>Satisfaction</b>				
<i>Satisfaction with council decisions</i> [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	51.00	51.00	51.00	No material variation.

<b>HOME AND COMMUNITY CARE</b>				
<b>Participation</b>				
<i>Participation in HACC service</i>				
	33.45%	N/A	Reporting Ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs.
[Number of people that received a HACC service / Municipal target population for HACC services] x100				
<b>Participation</b>				
<i>Participation in HACC service by CALD people</i>				
	21.47%	N/A	Reporting Ceased 1 July 2016	
[Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x100				
<b>LIBRARIES</b>				
<b>Participation</b>				
<i>Active library members</i>				
	18.83%	17.11%	18.07%	No material variation.
[Number of active library members / Municipal population] x100				
<b>MATERNAL AND CHILD HEALTH</b>				
<b>Participation</b>				
<i>Participation in the MCH service</i>				
	84.77%	69.77%	74.18%	No material variation.  A data fix has been implemented by MAV which more accurately reflects the participation rates. Council actively ensured ATSI clients were engaged 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				
<b>Participation</b>				
<i>Participation in the MCH service by Aboriginal children</i>				
	79.31%	72.99%	85.59%	
[Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100				

<p><b>ROADS</b></p> <p><b>Satisfaction</b></p> <p><i>Satisfaction with sealed local roads</i></p> <p>[Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]</p>	<p>49.00</p> <p>52.00</p> <p>44.00</p>	<p>Council's investment in the maintenance and upgrade of its local road network increased from \$9.9 million in 2016 to \$11.8 million in 2017. This coincided with an extended wet winter/spring which significantly impacted the condition of sealed local roads and delayed works programs into 2017 and after the survey period.</p>
<p><b>STATUTORY PLANNING</b></p> <p><b>Decision making</b></p> <p><i>Council planning decisions upheld at VCAT</i></p> <p>[Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100</p>	<p>100.00%</p> <p>100.00%</p> <p>85.71%</p>	<p>7 appeals were lodged with VCAT during the reporting period, the outcomes of the decision; 4 varied, 2 affirmed and 1 struck out.</p>
<p><b>WASTE COLLECTION</b></p> <p><b>Waste diversion</b></p> <p><i>Kerbside collection waste diverted from landfill</i></p> <p>[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100</p>	<p>47.33%</p> <p>54.27%</p> <p>54.81%</p>	<p>No material variation.</p>

## 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 2017

Dimension/indicator/measure	Results			Forecasts				Material Variations
	2015	2016	2017	2018	2019	2020	2021	
<b>EFFICIENCY</b>								
<b>Revenue level</b>								
Average residential rate per residential property assessment [Residential rate revenue / Number of residential property assessments]	\$1,734.52	\$1,824.22	\$1,853.27	\$1,880.77	\$1,908.84	\$1,937.33	\$1,966.25	No material variation.
<b>Expenditure level</b>								
Expenses per property assessment [Total expenses / Number of property assessments]	\$3,148.07	\$2,879.87	\$2,976.28	\$3,061.59	\$3,086.43	\$3,156.20	\$3,235.64	No material variation.
<b>Workforce turnover</b>								
Resignations and terminations compared to average staff [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	12.26%	10.10%	9.11%	8.47%	8.33%	8.33%	8.33%	No material variation.
<b>LIQUIDITY</b>								
<b>Working capital</b>								
Current assets compared to current liabilities [Current assets / Current liabilities] x100	331.60%	334.10%	399.38%	255.07%	297.35%	286.83%	275.98%	Variance driven by receipt of 50% of 2017/18 Financial Assistance Grant in 2016/17.

Dimension/indicator/measure	Results			Forecasts				Material Variations
	2015	2016	2017	2018	2019	2020	2021	
<b>Unrestricted cash</b>								
<i>Unrestricted cash compared to current liabilities</i> [Unrestricted cash / Current liabilities] x100	237.26%	252.29%	318.30%	183.04%	200.82%	188.34%	178.88%	Variance between 2016 and 2017 result driven by change of classification of Term Deposits with original maturity of greater than 90 days as Other Financial Assets.
<b>OBLIGATIONS</b>								
<b>Asset renewal</b>								
<i>Asset renewal compared to depreciation</i> [Asset renewal expenses / Asset depreciation] x100	65.14%	67.24%	89.95%	78.09%	86.26%	87.23%	86.39%	Variance driven by higher asset renewal expenses which have increased in 2017 mainly due to capital works completed on roads.
<b>Loans and borrowings</b>								
<i>Loans and borrowings compared to rates</i> [Interest bearing loans and borrowings / Rate revenue] x100	20.67%	16.83%	13.54%	10.23%	6.86%	4.01%	2.37%	Variance driven by Council decision to reduce loans outstanding and to restrict new borrowings.
<b>Loans and borrowings</b>								
<i>Loans and borrowings repayments compared to rates</i> [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	4.53%	4.46%	3.98%	3.88%	3.80%	3.13%	1.80%	Variance driven by Council decision to reduce loans outstanding and to restrict new borrowings.
<b>Indebtedness</b>								
<i>Non-current liabilities compared to own source revenue</i> [Non-current liabilities / Own source revenue] x100	42.66%	40.23%	37.29%	38.49%	38.23%	36.86%	35.47%	No material variation.

Dimension/ <i>indicator/measure</i>	Results			Forecasts				Material Variations
	2015	2016	2017	2018	2019	2020	2021	
<b>OPERATING POSITION</b>								
<b>Adjusted underlying result</b> <i>Adjusted underlying surplus (or deficit)</i> [Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100	-0.87%	0.20%	14.30%	-8.82%	4.58%	2.31%	3.11%	Variance driven by receipt of 50% of 2017/18 Financial Assistance Grant in 2016/17.
<b>STABILITY</b>								
<b>Rates concentration</b> <i>Rates compared to adjusted underlying revenue</i> [Rate revenue / Adjusted underlying revenue] x100	57.05%	66.26%	56.22%	70.86%	62.76%	63.94%	62.89%	Variance driven by receipt of 50% of 2017/18 Financial Assistance Grant in 2016/17.
<b>Rates effort</b> <i>Rates compared to property values</i> [Rate revenue / Capital improved value of rateable properties in the municipality ] x100	0.62%	0.66%	0.63%	0.64%	0.64%	0.65%	0.66%	No material variation.

### 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 2017

### Basis of preparation

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

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

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

The forecast figures included in the performance statement are those adopted by council in its strategic resource plan on 28 June 2017 and which forms part of the council plan. The strategic resource plan includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General Purpose Financial Statements. The strategic resource plan can be obtained by contacting council.

# Certification of the Performance Statement

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



Simon Rennie CPA  
**Principal Accounting Officer**  
**Dated:** 20 September 2017

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

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

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

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



Councillor Gary Cleveland - Mayor  
**Councillor**  
**Dated:** 20 September 2017



Councillor Marie Martin – Deputy Mayor  
**Councillor**  
**Dated:** 20 September 2017



Mark Henderson  
**Chief Executive Officer**  
**Dated:** 20 September 2017

# Independent Auditor's Report

## To the Councillors of Moira Shire Council

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### Opinion

I have audited the accompanying performance statement of Moira Shire Council (the council) which comprises the:

- description of municipality for the year ended 30 June 2017
- sustainable capacity indicators for the year ended 30 June 2017
- service performance indicators for the year ended 30 June 2017
- financial performance indicators for the year ended 30 June 2017
- other information and
- the certification of the performance statement.

In my opinion, the performance statement of Moira Shire Council in respect of the year ended 30 June 2017 presents fairly, in all material respects, in accordance with the performance reporting requirements of Part 6 of the *Local Government Act 1989*.

---

### Basis for Opinion

I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Standards on Assurance Engagements. My responsibilities under the Act are further described in the *Auditor's responsibilities for the audit of the performance statement* section of my report.

My independence is established by the *Constitution Act 1975*. I and my staff are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the performance statement in Australia and have also fulfilled our other ethical responsibilities in accordance with the Code.

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

---

### Councillors' responsibilities for the performance statement

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

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

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the performance statement based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the performance statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Standards on Assurance Engagements will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

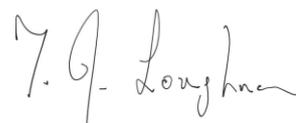
As part of an audit in accordance with the Australian Standards on Assurance Engagements, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of performance statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the council's internal control
- evaluate the overall presentation, structure and content of the statement of performance, including the disclosures, and whether the statement of performance represents the underlying events and results in a manner that achieves fair presentation.

I communicate with the Councillors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

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MELBOURNE  
25 September 2017



Tim Loughnan  
*as delegate for the Auditor-General of Victoria*

# Financial Report

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**Comprehensive Income Statement  
For the Year Ended 30 June 2017**

	Note	2017 \$'000	2016 \$'000
<b>Income</b>			
Rates and charges	3	34,195	33,320
Statutory fees and fines	4	1,239	1,036
User fees	5	2,508	2,598
Grants - operating	6	16,475	6,131
Grants - capital	6	4,726	5,600
Contributions - monetary	7	223	277
Contributions - non monetary	7	863	1,750
Net gain on disposal of property, infrastructure, plant and equipment	8	55	-
Share of net profit of associates	16	9	18
Other income	9	1,902	1,851
<b>Total income</b>		<b>62,195</b>	<b>52,581</b>
<b>Expenses</b>			
Employee costs	10	19,892	18,965
Materials and services	11	20,291	20,203
Bad and doubtful debts	12	17	38
Depreciation and amortisation	13	10,425	9,546
Borrowing costs	14	391	463
Net loss on disposal of property, infrastructure, plant and equipment	8	-	252
Share of net loss of associates	16	23	-
Other expenses	15	920	719
<b>Total expenses</b>		<b>51,959</b>	<b>50,186</b>
<b>Surplus/(deficit) for the year</b>		<b>10,236</b>	<b>2,395</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to surplus or deficit in future periods</b>			
Net asset revaluation increment	30	29,992	23,432
<b>Total comprehensive result</b>		<b>40,228</b>	<b>25,827</b>

The above comprehensive income statement should be read in conjunction with the accompanying notes set out on pages 71 to 104.

## Balance Sheet As at 30 June 2017

	Note	2017 \$'000	2016 \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	17	5,810	8,717
Other financial assets	18	25,000	16,000
Trade and other receivables	19	3,172	3,245
Inventories	20	735	549
Other assets	22	325	268
<b>Total current assets</b>		<b>35,042</b>	<b>28,779</b>
<b>Non-current assets</b>			
Investments in associates	16	711	725
Property, infrastructure, plant and equipment	23	558,236	525,046
Intangible assets	25	1,625	1,319
<b>Total non-current assets</b>		<b>560,572</b>	<b>527,090</b>
<b>Total assets</b>		<b>595,614</b>	<b>555,869</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	26	2,444	2,271
Trust funds and deposits	27	1,085	1,286
Provisions	28	4,204	4,091
Interest-bearing loans and borrowings	29	1,041	966
<b>Total current liabilities</b>		<b>8,774</b>	<b>8,614</b>
<b>Non-current liabilities</b>			
Provisions	28	11,301	10,902
Interest-bearing loans and borrowings	29	3,572	4,614
<b>Total non-current liabilities</b>		<b>14,873</b>	<b>15,516</b>
<b>Total liabilities</b>		<b>23,647</b>	<b>24,130</b>
<b>Net assets</b>		<b>571,967</b>	<b>531,739</b>
<b>Equity</b>			
Accumulated surplus		188,703	178,131
Reserves	30	383,264	353,608
<b>Total Equity</b>		<b>571,967</b>	<b>531,739</b>

The above balance sheet should be read in conjunction with the accompanying notes set out on pages 71 to 104.

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

	Note	Accumulated	Revaluation	Other	
		Total \$'000	Surplus \$'000	Reserves \$'000	Reserves \$'000
<b>2017</b>					
Balance at beginning of the financial year		531,739	178,131	352,062	1,546
Surplus/(deficit) for the year		10,236	10,236	-	-
Net asset revaluation increment/(decrement)	30(a)	29,992	-	29,992	-
Transfers to other reserves	30(b)	-	(19)	-	19
Transfers from other reserves	30(b)	-	355	-	(355)
<b>Balance at end of the financial year</b>		<b>571,967</b>	<b>188,703</b>	<b>382,054</b>	<b>1,210</b>

	Note	Accumulated	Revaluation	Other	
		Total \$'000	Surplus \$'000	Reserves \$'000	Reserves \$'000
<b>2016</b>					
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)
<b>Balance at end of the financial year</b>		<b>531,739</b>	<b>178,131</b>	<b>352,062</b>	<b>1,546</b>

The above statement of changes in equity should be read in conjunction with the accompanying notes set out on pages 71 to 104.

**Statement of Cash Flows**  
**For the Year Ended 30 June 2017**

	2017	2016
	Inflows/ (Outflows)	Inflows/ (Outflows)
Note	\$'000	\$'000
<b>Cash flows from operating activities</b>		
Rates and charges	34,376	33,247
Statutory fees and fines	1,225	1,040
User fees	2,922	2,857
Grants - operating	16,636	6,220
Grants - capital	4,726	5,692
Contributions - monetary	223	277
Interest received	656	600
Trust funds and deposits taken	5,078	3,926
Other receipts	564	753
Net GST (payment)/refund	(59)	(47)
Employee costs	(20,047)	(17,757)
Materials and services	(20,005)	(20,818)
Trust funds and deposits repaid	(5,279)	(3,947)
Other payments	(902)	(727)
<b>Net cash provided by / (used in) operating activities</b>	<b>31</b> <u>20,114</u>	<u>11,316</u>
<b>Cash flows from investing activities</b>		
Payments for property, infrastructure, plant and equipment	23	(13,086)
Proceeds from sale of property, infrastructure, plant and equipment	422	323
<b>Net cash provided by / (used in) investing activities</b>	<u>(12,664)</u>	<u>(9,399)</u>
<b>Cash flows from financing activities</b>		
Finance costs	(391)	(465)
Repayment of borrowings	(966)	(1,013)
<b>Net cash provided by / (used in) financing activities</b>	<u>(1,357)</u>	<u>(1,478)</u>
Net increase / (decrease) in cash and cash equivalents	6,093	439
Cash and cash equivalents at the beginning of the financial year	24,717	24,278
<b>Cash and cash equivalents at the end of the financial year</b>	<b>17</b> <u>30,810</u>	<u>24,717</u>
	<b>Note</b>	
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 71 to 104.

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**Statement of Capital Works  
For the Year Ended 30 June 2017**

	2017 \$'000	2016 \$'000
<b>Property</b>		
Land improvements	509	535
<b>Total land</b>	<u>509</u>	<u>535</u>
Buildings	1,258	1,743
<b>Total buildings</b>	<u>1,258</u>	<u>1,743</u>
<b>Total property</b>	<u>1,767</u>	<u>2,278</u>
<b>Plant and equipment</b>		
Plant, machinery and equipment	656	975
Computers and telecommunications	41	-
<b>Total plant and equipment</b>	<u>697</u>	<u>975</u>
<b>Infrastructure</b>		
Roads	8,695	6,130
Bridges	68	26
Footpaths and cycle ways	475	106
Drainage	1,017	189
Recreational, leisure and community facilities	367	18
<b>Total infrastructure</b>	<u>10,622</u>	<u>6,469</u>
<b>Total capital works expenditure</b>	<u>13,086</u>	<u>9,722</u>
<b>Represented by:</b>		
New asset expenditure	2,229	2,638
Asset renewal expenditure	9,377	6,419
Asset expansion expenditure	724	290
Asset upgrade expenditure	756	375
<b>Total capital works expenditure</b>	<u>13,086</u>	<u>9,722</u>

The above statement of capital works should be read in conjunction with the accompanying notes set out on pages 71 to 104.

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

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### 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 2017, 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.

#### (e) Accounting for investments in associates

##### *Associates*

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

#### (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.

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

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

**(f) Revenue recognition (cont.)**

*Statutory fees and fines*

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

*User fees*

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

*Grants*

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

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

*Contributions*

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

*Sale of property, infrastructure, plant and equipment*

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

*Interest*

Interest is recognised as it is earned.

*Other Income*

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

**(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**

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

**(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.

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

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

**(k) Inventories**

Inventories held for distribution are measured at cost, adjusted when applicable for any loss of service potential. All other inventories, including land held for sale, are measured at the lower of cost and net realisable value. Where inventories are acquired for no cost or nominal consideration, they are measured at current replacement cost at the date of acquisition.

**(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.

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

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

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

*Asset recognition thresholds and depreciation periods*

	Depreciation Period	Threshold Limit \$'000
<b>Property</b>		
Land	-	2
Land improvements	10 to 100 years	2
Buildings	65 to 90 years	2
<b>Plant and Equipment</b>	7 years	2
Plant, machinery and equipment	7 to 25 years	2
Fixtures, fittings and furniture		
<b>Infrastructure</b>		
Sealed roads	19 years	2
- <i>road seals</i>	25 to 80 years	2
- <i>road pavement</i>		
Unsealed roads	15 to 25 years	2
- <i>road pavement</i>		
Laneways	100 years	2
- <i>concrete</i>	18 years	2
- <i>bitumen</i>		
Bridges	80 years	2
- <i>timber</i>	150 years	2
- <i>steel and concrete</i>		
Footpaths and cycleways	60 years	2
- <i>concrete</i>	20 years	2
- <i>gravel</i>	30 years	2
- <i>bitumen</i>	40 years	2
- <i>brick</i>		
Drainage	50 to 100 years	2
- <i>main drains</i>	100 years	2
- <i>culverts and floodways</i>	30 years	2
- <i>pumps</i>		
Kerb and channel	75 years	2
- <i>kerb and channel</i>	50 years	2
- <i>traffic islands</i>		
Recreational, leisure and community facilities	20 years	2
- <i>playground equipment</i>		
Parks, open space and streetscapes	10 to 100 years	2
Other infrastructure assets		

**(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).

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

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

**(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.

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, Yarrowonga 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.

*Leashold improvements*

Council does not have any leasehold improvements.

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

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**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**

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

*Revenue from contracts with customers (AASB 15) (applies 2018/19)*

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

*Leases (AASB 16) (applies 2019/20)*

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

Council has a significant number of operating leases that will be impacted as a result of this change. Current operating leases held are included at Note 34.

**(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 2017**

**Note 2 Budget comparison**

The budget comparison notes compare Council's financial plan, expressed through its annual budget, with actual performance. The *Local Government (Planning and Reporting) Regulations 2014* requires explanation of any material variances. Council has adopted a materiality threshold of the lower of 10 percent or \$100,000 where further explanation is warranted. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

The budget figures detailed below are those adopted by Council on 20 June 2016. 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**

	<b>Budget 2017 \$'000</b>	<b>Actual 2017 \$'000</b>	<b>Variance 2017 \$'000</b>	<b>Ref</b>
<b>Income</b>				
Rates and charges	34,176	34,195	19	
Statutory fees and fines	903	1,239	336	1
User fees	2,542	2,508	(34)	
Grants - operating	10,782	16,475	5,693	2
Grants - capital	6,421	4,726	(1,695)	3
Contributions - monetary	101	223	122	4
Contributions - non monetary	200	863	663	5
Net gain on disposal of property, infrastructure, plant and equipment	-	55	55	10
Share of net profit of associates and joint ventures	-	9	9	
Other income	927	1,902	975	6
<b>Total income</b>	<b>56,052</b>	<b>62,195</b>	<b>6,143</b>	
<b>Expenses</b>				
Employee costs	20,938	19,892	(1,046)	7
Materials and services	21,854	20,291	(1,563)	8
Bad and doubtful debts	3	17	14	
Depreciation and amortisation	8,900	10,425	1,525	9
Borrowing costs	391	391	-	
Net loss on disposal of property, infrastructure, plant and equipment	174	-	(174)	10
Share of net loss of associates and joint ventures	-	23	23	
Other expenses	915	920	5	
<b>Total expenses</b>	<b>53,175</b>	<b>51,959</b>	<b>(1,216)</b>	
<b>Surplus/(deficit) for the year</b>	<b>2,877</b>	<b>10,236</b>	<b>7,359</b>	

**(i) Explanation of material variations**

Variance Ref	Item	Explanation
1	Statutory fees and fines	Variance driven by higher than budgeted Town Planning & Building fees \$256k and higher than budgeted Animal registration and control fees \$65k.
2	Grants - operating	Variance driven by receipt in advance of 50% of 2017/18 Financial Assistance Grant \$5.12 million, and unbudgeted grants for Regional Fruit Fly programs \$303k, Enhanced Mosquito Monitoring \$79k and Collaborative Climate Change reporting \$54k.
3	Grants - capital	Variance driven by delay in Roads to Recovery funding \$1.77 million which is to be received in 2017/18, this is offset by receipt of unbudgeted funding for Witt Street Footpath from Vic Roads \$100k.
4	Contributions - monetary	Variance driven by receipt of community contributions to Cobram Library \$81k and Numurkah Walking Track \$25k.

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

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**Note 2 Budget comparison (cont.)  
(a) Income and Expenditure (cont.)  
(i) Explanation of material variations (cont.)**

Variance Ref	Item	Explanation
5	Contributions - non monetary	Variance driven by additional contributions to development works occurring at Cobram and Yarrawonga.
6	Other income	Variance driven by higher than budgeted receipt of interest receipts \$324k, income from revaluation of Water Shares \$305k, income from legal cost recoveries \$157k and unbudgeted receipt of income from insurance claims \$144k and 2016 Council election fines \$35k.
7	Employee costs	Variance driven by savings in wages and salaries \$736k and external casuals wages \$70k and savings from lower than budgeted FBT liability \$56k and Workcover premium \$90k.
8	Materials and services	Variance driven by lower than budgeted contractor and consultant fees \$675k, IT and communications costs \$334k, plant & fleet costs \$253k, general insurance costs \$132k, community grants \$73k and electricity costs and new/replacement street lights \$105k.
9	Depreciation and amortisation	Variance is driven by significant movements in depreciation in Roads, Plant and Equipment, Footpaths, Drainage and Kerb and Channel. The Roads have been revalued and a new condition audit has been done since the last value of depreciation has been calculated. Changes in footpath, drainage and kerb and channel are mainly due to additional assets being contributed by developer works.
10	Net gain / loss on disposal of property, infrastructure, plant and equipment	Variance is driven by higher receipt of proceeds of sale of assets than originally budgeted.

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

**Note 2 Budget comparison (cont.)**

**(b) Capital Works**

	Budget 2017 \$'000	Actual 2017 \$'000	Variance 2017 \$'000	Ref
<b>Property</b>				
Land improvements	286	509	223	1
<b>Total Land</b>	<u>286</u>	<u>509</u>	<u>223</u>	
Buildings	1,580	1,258	(322)	2
<b>Total Buildings</b>	<u>1,580</u>	<u>1,258</u>	<u>(322)</u>	
<b>Total Property</b>	<u><b>1,866</b></u>	<u><b>1,767</b></u>	<u><b>(99)</b></u>	
<b>Plant and Equipment</b>				
Plant, machinery and equipment	485	656	171	3
Computers and telecommunications	380	41	(339)	4
<b>Total Plant and Equipment</b>	<u><b>865</b></u>	<u><b>697</b></u>	<u><b>(168)</b></u>	
<b>Infrastructure</b>				
Roads	6,867	8,695	1,828	5
Bridges	50	68	18	
Footpaths and cycle ways	180	475	295	6
Drainage	1,330	1,017	(313)	7
Recreational, leisure and community facilities	160	367	207	8
Parks, open space and streetscapes	110	-	(110)	9
Other infrastructure	10	-	(10)	
<b>Total Infrastructure</b>	<u><b>8,707</b></u>	<u><b>10,622</b></u>	<u><b>1,915</b></u>	
<b>Total Capital Works Expenditure</b>	<u><b>11,438</b></u>	<u><b>13,086</b></u>	<u><b>1,648</b></u>	
<b>Represented by:</b>				
New asset expenditure	-	2,229	2,229	10
Asset renewal expenditure	8,891	9,377	486	11
Asset expansion expenditure	1,177	724	(453)	12
Asset upgrade expenditure	1,370	756	(614)	13
<b>Total Capital Works Expenditure</b>	<u><b>11,438</b></u>	<u><b>13,086</b></u>	<u><b>1,648</b></u>	

**(i) Explanation of material variations**

Variance Ref	Item	Explanation
1	Land improvements	Variance driven by additional expenditure on projects that have been transferred from the previous financial year (2015/16).
2	Buildings	Mainly due to the Wilby Community Facilities Project for which external funding was not received in 2016/17.
3	Plant, machinery and equipment	Variance driven by additional funds being spent on replacement of plant stolen from the Cobram Landfill site, and purchase of a water tanker. Additional expenditure has been offset by insurance receipts and income from sold vehicles.
4	Computers and telecommunication	Variance driven by expenditure on IT and telecommunications has not reached that budgetted because two major projects have been delayed. The projects will be completed in the 2017/18 financial year.
5	Roads	Variance driven by expenditure of \$1.76 million incurred in repairs to Roads as a result of the October 2016 flood event. A claim will be made under the Natural Disaster Relief and Recovery Arrangements (NDRRA) scheme.

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

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**Note 2 Budget comparison (cont.)**

**(b) Capital Works (cont.)**

**(i) Explanation of material variations (cont.)**

Variance Ref	Item	Explanation
6	Footpaths and cycle ways	Variance primarily due to additional expenditure on footpath works in Nathalia which was budgeted for in 2015/16 and completed in 2016/17.
7	Drainage	Variance is primarily due to a large drainage project which has not been completed.
8	Recreational, leisure and community facilities	Variance is mainly as a result of the expenditure on the All Abilities playground at Yarrawonga which was originally planned in 2015/16.
9	Parks, open space and streetscapes	Expenditure budgeted for projects in the Parks Open Space and Streetscape Class has been moved to appropriate asset classes following construction.
10	New asset expenditure	New expenditure is primarily due to completion of the Cobram Library in the 2016/17 year after having been budgeted for in the previous year. Expansion of the footpath network has also influenced the difference as expansion of the footpath network is now being partly categorised as new, after the creation of new assets.
11	Asset renewal expenditure	The difference in expenditure is primarily due to a large drainage project has not been completed.
12	Asset expansion expenditure	A number of items previously categorised as expansion have been recategorised after creating new assets which have been reclassified as new assets. This has reduced the amount of expenditure in the expansion category.
13	Asset upgrade expenditure	Variance primarily due to taking advantage of additional planning and design to ensure disruption is minimised and the opportunities for savings over the original scope of the works are achieved within a large building project. The works have therefore been delayed and will be done in the 2017/18 financial year.

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

	2017 \$'000	2016 \$'000
<b>Note 3 Rates and charges</b>		
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 2016/17 was \$5,428 million (2015/16 - \$5,000 million).		
General rates	21,877	21,251
Municipal charge	5,257	5,095
Environmental levy	3,553	3,441
Waste management charges	3,359	3,255
Supplementary rates and rate adjustments	25	111
Interest on rates and charges	124	167
<b>Total rates and charges</b>	<b>34,195</b>	<b>33,320</b>
The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2016, and the valuation was first applied in the rating year commencing 1 July 2016.		
<b>Note 4 Statutory fees and fines</b>		
Town planning fees	353	183
Building services fees	418	422
Land information certificates	41	37
Permits	33	54
Business registration fees	138	137
Animal registration fees and fines	226	175
Other statutory fees and fines	30	28
<b>Total statutory fees and fines</b>	<b>1,239</b>	<b>1,036</b>
<b>Note 5 User fees</b>		
Leisure centre and recreation	26	26
Child care/children's programs	17	57
Waste management services	1,649	1,629
Rent and other property income	124	138
Public hall and park hire fees	254	331
Sundry works and works within road reserve fees	74	63
Caravan park charges	249	196
Other user fees and charges	115	158
<b>Total user fees</b>	<b>2,508</b>	<b>2,598</b>
<b>Note 6 Grants</b>		
Grants were received in respect of the following :		
<b>Summary of Grants</b>		
Commonwealth funded grants	19,371	10,545
State funded grants	1,830	1,186
<b>Total grants received</b>	<b>21,201</b>	<b>11,731</b>
<b>Operating Grants</b>		
<b>Recurrent - Commonwealth Government</b>		
Victoria Grants Commission	15,024	4,909
<b>Recurrent - State Government</b>		
Community health	94	7
Community safety	61	112
Environmental planning	20	20
Economic development and tourism	303	-
Maternal and child health	322	301
Recreation	29	29
Roadside weeds and pest management	75	75
School crossing supervisors	41	17
Other	2	9
<b>Total recurrent operating grants</b>	<b>15,971</b>	<b>5,479</b>

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

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Note 6 Grants (cont.)</b>		
<b>Operating Grants (cont.)</b>		
<b>Non-recurrent - Commonwealth Government</b>		
Disaster recovery	85	-
Family day care	128	401
<b>Non-recurrent - State Government</b>		
Community facilities	53	20
Economic development and tourism	9	-
Environmental planning	129	128
Community health	89	-
Community safety	11	100
Recreation	-	3
<b>Total non-recurrent operating grants</b>	<u>504</u>	<u>652</u>
<b>Total operating grants</b>	<u>16,475</u>	<u>6,131</u>
<b>Capital Grants</b>		
<b>Recurrent - Commonwealth Government</b>		
Roads to recovery	4,135	5,235
<b>Total recurrent capital grants</b>	<u>4,135</u>	<u>5,235</u>
<b>Non-recurrent - State Government</b>		
Buildings	57	225
Recreation, leisure and community facilities	175	12
Parks, open space and streetscapes	73	88
Footpaths and cycleways	100	40
Bridges	150	-
Other	36	-
<b>Total non-recurrent capital grants</b>	<u>591</u>	<u>365</u>
<b>Total capital grants</b>	<u>4,726</u>	<u>5,600</u>
<b>Total Grants</b>	<u>21,201</u>	<u>11,731</u>
<b>Unspent grants received on condition that they be spent in a specific manner</b>		
Balance at start of year	153	783
Received during the financial year and remained unspent at balance date	801	145
Received in prior years and spent during the financial year	(144)	(775)
<b>Balance at year end</b>	<u>810</u>	<u>153</u>
<b>Note 7 Contributions</b>		
Monetary	223	277
Non-monetary	863	1,750
<b>Total contributions</b>	<u>1,086</u>	<u>2,027</u>
Contributions of non monetary assets were received in relation to the following asset classes.		
Land	17	1
Roads	211	447
Other Infrastructure	635	1,302
<b>Total non-monetary contributions</b>	<u>863</u>	<u>1,750</u>
<b>Note 8 Net gain/(loss) on disposal of property, infrastructure, plant and equipment</b>		
Proceeds of sale	422	323
Written down value of assets disposed	(367)	(213)
Impairment losses on infrastructure assets replaced	-	(362)
<b>Net gain/(loss) on disposal of property, infrastructure, plant and equipment</b>	<u>55</u>	<u>(252)</u>

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

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Note 9 Other income</b>		
Interest on investments	689	630
Reimbursements and subsidies	210	100
Legal costs recouped	258	169
Property revaluation costs recouped	131	15
Energy rebate scheme income	83	162
Sale of recyclables income	45	29
Revaluation of intangible asset (water shares)	306	299
Visitor Information Centre income	25	59
Recognition of assets under Council control	86	344
Other income	69	44
<b>Total other income</b>	<b>1,902</b>	<b>1,851</b>
<b>Note 10 (a) Employee costs</b>		
Wages and salaries	17,031	16,259
WorkCover	307	298
Casual staff	421	285
Superannuation	1,555	1,482
Fringe benefits tax	194	216
Other employee costs	384	425
<b>Total employee costs</b>	<b>19,892</b>	<b>18,965</b>
<b>Note 10 (b) Superannuation</b>		
Council made contributions to the following funds:		
<b>Defined benefit fund</b>		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	31	34
<b>Total</b>	<b>31</b>	<b>34</b>
Employer contributions payable at reporting date.	-	-
<b>Accumulation funds</b>		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	1,346	1,263
Employer contributions - other funds	178	184
<b>Total</b>	<b>1,524</b>	<b>1,447</b>
Employer contributions payable at reporting date.	60	51
Refer to note 35 for further information relating to Council's superannuation obligations.		
<b>Note 11 Materials and services</b>		
Contract payments	4,489	4,562
Building maintenance	440	359
General maintenance	6,399	6,548
Utilities	911	934
Office services and supplies	1,452	1,143
Information technology	734	1,017
Insurance	439	489
Consultant fees	814	600
Community services	1,033	1,224
Council contributions, donations and grants	2,248	2,264
Waste management	1,124	908
Environmental management	208	155
<b>Total materials and services</b>	<b>20,291</b>	<b>20,203</b>
<b>Note 12 Bad and doubtful debts</b>		
Rates debtors	17	38
<b>Total bad and doubtful debts</b>	<b>17</b>	<b>38</b>

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

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Note 13 Depreciation</b>		
Property	2,680	3,039
Plant and equipment	536	449
Infrastructure	7,209	6,058
<b>Total depreciation</b>	<b>10,425</b>	<b>9,546</b>
Refer to note 23 for a more detailed breakdown of depreciation charges.		
<b>Note 14 Borrowing costs</b>		
Interest - Borrowings	391	463
<b>Total borrowing costs</b>	<b>391</b>	<b>463</b>
<b>Note 15 Other expenses</b>		
Auditors' remuneration - VAGO	54	72
Auditors' remuneration - Internal	41	94
Councillors' allowances	287	292
Interest on unwinding of discount on provisions	275	160
Refunds of rates	68	64
Termination of property lease	184	27
Other expenses	11	10
<b>Total other expenses</b>	<b>920</b>	<b>719</b>
<b>Note 16 Investments in associates</b>		
<b>(a) Investments in associates</b>		
Investments in associates accounted for by the equity method are:		
- Goulburn Valley Regional Library Corporation	711	702
- Moira Arts and Culture Inc.	-	23
<b>Total investments in associates</b>	<b>711</b>	<b>725</b>
<b>(i) Goulburn Valley Regional Library Corporation</b>		
<i>Background</i>		
Goulburn Valley Regional Library Corporation operates a regional library. Its ownership is shared between Moira Shire Council, Greater Shepparton City Council and Strathbogie Shire Council. Moira Shire Council has a stakeholding of 28.86%.		
<b>Fair value of Council's investment in Goulburn Valley Regional Library Corporation</b>	<b>711</b>	<b>702</b>
<b>Council's share of accumulated surplus/(deficit)</b>		
Council's share of accumulated surplus(deficit) at start of year	(137)	(147)
Adjustment to surplus (deficit) for previous years	-	20
Reported surplus(deficit) for year	9	(10)
Council's share of accumulated surplus(deficit) at end of year	<b>(128)</b>	<b>(137)</b>
<b>Council's share of reserves</b>		
Council's share of reserves at start of year	839	839
Transfers (to) from reserves	-	-
Council's share of reserves at end of year	<b>839</b>	<b>839</b>
<b>Movement in carrying value of specific investment</b>		
Carrying value of investment at start of year	702	692
Adjustment to surplus (deficit) for previous years	-	20
Share of surplus(deficit) for year	9	(10)
Carrying value of investment at end of year	<b>711</b>	<b>702</b>

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

**Note 16 Investments in associates (cont.)**

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>(ii) Moira Arts and Culture Inc.</b>		
<i>Background</i>		
Moira Arts and Culture Inc. is an incorporated association which promotes arts and culture within the Moira Shire. In July 2016, Moira Shire Council entered into a direct sponsorship agreement with Moira Arts and Culture Inc. Moira Shire Council no longer has representation on the Moira Arts and Culture Inc. Board.		
<b>Fair value of Council's investment in Moira Arts and Culture Inc.</b>	-	23
<b>Council's share of accumulated surplus/(deficit)</b>		
Council's share of accumulated surplus(deficit) at start of year	23	15
Reported surplus(deficit) for year	-	8
Write down of accumulated surplus	(23)	-
Council's share of accumulated surplus(deficit) at end of year	-	23
<b>Movement in carrying value of specific investment</b>		
Carrying value of investment at start of year	23	15
Share of surplus(deficit) for year	-	8
Write down of investment	(23)	-
Carrying value of investment at end of year	-	23

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

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Note 17 Cash and cash equivalents</b>		
Cash on hand	6	6
Cash at bank	804	1,461
Cash at call	-	2,250
Term deposits (Maturity < 90 days)	5,000	5,000
<b>Total cash and cash equivalents</b>	<b>5,810</b>	<b>8,717</b>
Reconciliation of cash and cash equivalents for the year ended 30 June 2017:		
Balance cash and cash equivalents (Note 17)	5,810	8,717
Balance other financial assets (Note 18)	25,000	16,000
<b>Total cash and cash equivalents as per Statement of Cash Flows</b>	<b>30,810</b>	<b>24,717</b>
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)	1,085	1,286
- Unspent conditional grants received (Note 6)	810	153
- Cash held in other reserves (Note 30(b))	1,210	1,546
Total restricted funds	<b>3,105</b>	<b>2,985</b>
<b>Total unrestricted cash and cash equivalents</b>	<b>2,705</b>	<b>5,732</b>
Refer also to Note 18 for details of other financial assets held by Council.		
<b>Note 18 Other financial assets</b>		
Term deposits (Maturity > 90 days)	25,000	16,000
<b>Total other financial assets</b>	<b>25,000</b>	<b>16,000</b>
<b>Note 19 Trade and other receivables</b>		
<b>Current</b>		
<i>Statutory receivables</i>		
Rates debtors	2,044	2,227
Provision for doubtful debts - rates debtors	(55)	(38)
Fire services levy debtors	233	272
Special rate debtors	10	15
Infringement debtors	167	152
<i>Non statutory receivables</i>		
Other debtors	471	618
Provision for doubtful debts - other debtors	-	(1)
Net GST receivable	302	-
<b>Total current trade and other receivables</b>	<b>3,172</b>	<b>3,245</b>
<b>Total trade and other receivables</b>	<b>3,172</b>	<b>3,245</b>
<b>(a) Ageing of Receivables</b>		
At balance date other debtors representing financial assets were past due but not impaired. The ageing of the Council's trade & other receivables (excluding statutory receivables) was:		
Current (not yet due)	458	531
Past due by up to 30 days	4	84
Past due between 31 and 180 days	9	2
Past due by more than 1 year	-	1
Total trade & other receivables	<b>471</b>	<b>618</b>
<b>(b) Movement in provisions for doubtful debts</b>		
Balance at the beginning of the year	(39)	(1)
New Provisions recognised during the year	(17)	(38)
Amounts provided for but recovered during the year	1	-
Balance at end of year	<b>(55)</b>	<b>(39)</b>
<b>(c) Ageing of individually impaired Receivables</b>		
At balance date, other debtors representing financial assets with a nominal value of \$205 (2016: \$705) was impaired. The amount of the provision raised against this debtor is \$205 (2016: \$550). It has individually been impaired as a result of their doubtful collection.		
The ageing of receivables that have been individually determined as impaired at reporting date was:		
Past due by more than 1 year	-	(1)
Total trade & other receivables	<b>-</b>	<b>(1)</b>

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

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	2017	2016
	\$'000	\$'000
<b>Note 20 Inventories</b>		
Inventories held for distribution	725	537
Inventories held for sale	10	12
<b>Total inventories</b>	<b>735</b>	<b>549</b>
<b>Note 21 Non current assets classified as held for sale</b>		
Cost of acquisition	-	373
Less: Industrial land reclassified during the year	-	(373)
<b>Total non current assets classified as held for sale</b>	<b>-</b>	<b>-</b>
<b>Note 22 Other assets</b>		
Prepayments	203	175
Accrued income	122	93
<b>Total other assets</b>	<b>325</b>	<b>268</b>

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

**Note 23 Property, infrastructure, plant and equipment**

**Summary of property, infrastructure, plant and equipment**

	At Fair Value 30 June 2016	Acquisitions	Contributions	Found	Revaluation	Disposal	Impairment	Transfers	Depreciation	At Fair Value 30 June 2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Land	120,427	409	17	-	1,687	(202)	-	39	(883)	121,494
Buildings	79,564	1,237	-	-	(1,462)	-	-	879	(1,797)	78,421
Plant and Equipment	2,729	697	36	-	-	(165)	(21)	-	(536)	2,740
Infrastructure	321,116	7,748	810	86	29,767	-	-	208	(7,209)	352,526
Work in progress	1,210	2,995	-	-	-	-	(24)	(1,126)	-	3,055
<b>Total</b>	<b>525,046</b>	<b>13,086</b>	<b>863</b>	<b>86</b>	<b>29,992</b>	<b>(367)</b>	<b>(45)</b>	<b>-</b>	<b>(10,425)</b>	<b>558,236</b>

**Summary of Work in Progress**

	Opening WIP 1 July 2016	Additions	Transfers	Write Offs	Closing WIP 30 June 2017
	\$'000	\$'000	\$'000	\$'000	\$'000
Property	978	119	(917)	(2)	178
Infrastructure	232	2,876	(209)	(22)	2,877
<b>Total</b>	<b>1,210</b>	<b>2,995</b>	<b>(1,126)</b>	<b>(24)</b>	<b>3,055</b>

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

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

**Land and Buildings**

	Note	Land - specialised \$'000	Land - non specialised \$'000	Land improvements * \$'000	Total Land \$'000	Buildings - non specialised \$'000	Total Buildings \$'000	Work In Progress \$'000	Total Property \$'000
At fair value 1 July 2016		5,208	86,091	46,517	137,816	132,442	132,442	978	271,236
Accumulated depreciation at 1 July 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
<b>Movements in fair value</b>									
Acquisition of assets at fair value		-	159	250	409	1,237	1,237	119	1,765
Contributed assets		1	16	-	17	-	-	-	17
Found assets		-	-	-	-	-	-	-	-
Revaluation increments/decrements		(158)	(35)	3,560	3,367	(2,512)	(2,512)	-	855
Fair value of assets disposed		(1)	(201)	-	(202)	-	-	-	(202)
Impairment losses recognised in operating result		-	-	-	-	-	-	(2)	(2)
Transfers		-	4	35	39	879	879	(917)	1
		(158)	(57)	3,845	3,630	(396)	(396)	(800)	2,434
<b>Movements in accumulated depreciation</b>									
Depreciation charge		-	-	(883)	(883)	(1,797)	(1,797)	-	(2,680)
Accumulated depreciation of contributed assets		-	-	-	-	-	-	-	-
Accumulated depreciation of found assets		-	-	-	-	-	-	-	-
Accumulated depreciation of revaluation assets		-	-	(1,680)	(1,680)	1,050	1,050	-	(630)
Accumulated depreciation of assets disposed		-	-	-	-	-	-	-	-
Accumulated depreciation of impairment losses		-	-	-	-	-	-	-	-
Accumulated depreciation of transfers		-	-	-	-	-	-	-	-
		-	-	(2,563)	(2,563)	(747)	(747)	-	(3,310)
At fair value 30 June 2017		5,050	86,034	50,362	141,446	132,046	132,046	178	273,670
Accumulated depreciation at 30 June 2017		-	-	(19,952)	(19,952)	(53,625)	(53,625)	-	(73,577)
		5,050	86,034	30,410	121,494	78,421	78,421	178	200,093

\* Land improvements asset category includes landfill assets (which are subject to rehabilitation) with a written down value of \$5.7m.

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

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

**Plant and Equipment**

	<b>Note</b>	Plant machinery and equipment \$'000	Fixtures fittings and furniture \$'000	Computers and telecommunications \$'000	<b>Total plant and equipment \$'000</b>
At fair value 1 July 2016		4,117	121	77	<b>4,315</b>
Accumulated depreciation at 1 July 2016		(1,430)	(79)	(77)	<b>(1,586)</b>
		<u>2,687</u>	<u>42</u>	<u>-</u>	<u><b>2,729</b></u>
<b>Movements in fair value</b>					
Acquisition of assets at fair value		656	41	-	<b>697</b>
Contributed assets		36	-	-	<b>36</b>
Found assets		-	-	-	-
Revaluation increments/decrements		-	-	-	-
Fair value of assets disposed		(289)	(2)	-	<b>(291)</b>
Impairment losses recognised in operating result		(21)	-	-	<b>(21)</b>
Transfers		-	-	-	-
		<u>382</u>	<u>39</u>	<u>-</u>	<u><b>421</b></u>
<b>Movements in accumulated depreciation</b>					
Depreciation charge		(528)	(8)	-	<b>(536)</b>
Accumulated depreciation of contributed assets		-	-	-	-
Accumulated depreciation of found assets		-	-	-	-
Accumulated depreciation of revaluation assets		-	-	-	-
Accumulated depreciation of assets disposed		124	2	-	<b>126</b>
Accumulated depreciation of impairment losses		-	-	-	-
Accumulated depreciation of transfers		-	-	-	-
		<u>(404)</u>	<u>(6)</u>	<u>-</u>	<u><b>(410)</b></u>
At fair value 30 June 2017		4,499	160	77	<b>4,736</b>
Accumulated depreciation at 30 June 2017		(1,834)	(85)	(77)	<b>(1,996)</b>
		<u>2,665</u>	<u>75</u>	<u>-</u>	<u><b>2,740</b></u>

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

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

**Infrastructure**

	Note	Roads	Bridges	Footpaths and cycle ways	Drainage	Recreational, leisure and community	Total Infrastructure (excl. WIP)	Work In Progress	Total Infrastructure
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2016		324,581	27,586	17,331	65,451	2,110	437,059	232	437,291
Accumulated depreciation at 1 July 2016		(85,378)	(8,929)	(1,537)	(19,858)	(241)	(115,943)	-	(115,943)
		<b>239,203</b>	<b>18,657</b>	<b>15,794</b>	<b>45,593</b>	<b>1,869</b>	<b>321,116</b>	<b>232</b>	<b>321,348</b>
<b>Movements in fair value</b>									
Acquisition of assets at fair value		6,854	42	407	320	125	7,748	2,876	10,624
Contributed assets		211	-	240	324	35	810	-	810
Found assets		97	-	-	-	-	97	-	97
Revaluation increments/decrements		18,860	2,330	(19)	(7)	(73)	21,091	-	21,091
Fair value of assets disposed		-	-	-	-	-	0	-	0
Impairment losses recognised in operating result		-	-	-	-	-	-	(22)	(22)
Transfers		141	-	11	50	6	208	(209)	(1)
		<b>26,163</b>	<b>2,372</b>	<b>639</b>	<b>687</b>	<b>93</b>	<b>29,954</b>	<b>2,645</b>	<b>32,599</b>
<b>Movements in accumulated depreciation</b>									
Depreciation charge		(5,802)	(79)	(472)	(749)	(107)	(7,209)	-	(7,209)
Accumulated depreciation of contributed assets		-	-	-	-	-	-	-	-
Accumulated depreciation of found assets		(11)	-	-	-	-	(11)	-	(11)
Accumulated depreciation of revaluation assets		9,980	(1,325)	2	3	17	8,677	-	8,677
Accumulated depreciation of assets disposed		-	-	-	-	-	-	-	-
Accumulated depreciation of impairment losses		-	-	-	-	-	-	-	-
Accumulated depreciation of transfers		-	-	-	-	-	-	-	-
		<b>4,167</b>	<b>(1,404)</b>	<b>(470)</b>	<b>(746)</b>	<b>(90)</b>	<b>1,457</b>	<b>-</b>	<b>1,457</b>
At fair value 30 June 2017		350,744	29,958	17,970	66,138	2,203	467,013	2,877	469,890
Accumulated depreciation at 30 June 2017		(81,211)	(10,333)	(2,007)	(20,604)	(331)	(114,486)	-	(114,486)
		<b>269,533</b>	<b>19,625</b>	<b>15,963</b>	<b>45,534</b>	<b>1,872</b>	<b>352,527</b>	<b>2,877</b>	<b>355,404</b>

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

**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 2017 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 of 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 2017 based on a condition assessment conducted by Mr Graham Henderson, Manager Construction & Assets for Moira Shire Council and Mr Rasika Diyagama, Assets Technical Officer for Moira Shire Council. Mr Henderson holds a Certificate of Technology (Civil). Mr Diyagama holds a Bachelor of Engineering (Civil). The basis of the valuation is depreciated replacement cost and will occur again in 2019/20.

**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 2017 are as follows:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	DoV
Land - specialised	-	-	5,050	06/2017
Land - non specialised	-	54,756	31,278	06/2016
Land improvements	-	-	30,410	06/2017
Buildings - non specialised	-	-	78,421	06/2016
<b>Total</b>	-	<b>54,756</b>	<b>145,159</b>	

*Valuation of infrastructure*

**Roads** were valued as at 30 June 2017 based on a condition assessment conducted by Tonkin Consulting and Council's engineering staff. A unit rate and effective life review conducted by a team of in-house professional staff, under the direction of Mr Graham Henderson, Manager Construction and Assets. The basis of the valuation was depreciated replacement cost. Roads will be revalued again in 2019/20.

**Kerb and Channel** were valued as at 30 June 2017 based on a condition assessment conducted by Tonkin Consulting and by Council's qualified engineering staff. A unit rate and effective life review conducted by a team of in-house professional staff, under the direction of Mr Graham Henderson, Manager Construction and Assets. The valuation is at fair value based on replacement costs less accumulated depreciation as at the date of valuation and is due again in 2019/20.

**Bridges** were valued as at 30 June 2017 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 Mr Len Soule, Assets Technical Officer and Mr Rick Devlin, Manager Operations who both hold a Level 2 Bridge Inspection Certificate. Valuation is a fair value based on replacement cost less accumulated depreciation and is due next in 2019/20.

**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.

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

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

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

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	DoV
Roads	-	-	269,533	06/2017
Bridges	-	-	19,625	06/2017
Footpaths and cycle ways	-	-	15,963	06/2016
Drainage	-	-	45,534	06/2016
Recreational, leisure and community facilities	-	-	1,872	06/2015
<b>Total</b>	-	-	<b>352,527</b>	

*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.

	2017 \$'000	2016 \$'000
<b>Reconciliation of specialised land</b>		
Land under roads	5,050	5,208
<b>Total specialised land</b>	<u>5,050</u>	<u>5,208</u>

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

	2017 \$'000	2016 \$'000
<b>Note 24 Investment property</b>		
Council does not have investment property.		
<b>Note 25 Intangible assets</b>		
Water share entitlements	1,625	1,319
<b>Total</b>	<b>1,625</b>	<b>1,319</b>
	<b>Water share entitlements \$'000</b>	<b>Total \$'000</b>
<b>Gross carrying amount</b>		
Balance at 1 July 2015	1,020	1,020
Fair value adjustment	299	299
Balance at 1 July 2016	1,319	1,319
Fair value adjustment	306	306
Balance at 30 June 2017	<b>1,625</b>	<b>1,625</b>
<b>Note 26 Trade and other payables</b>		
Trade payables	1,627	1,586
Net GST payable	(201)	(571)
Accrued expenses	1,018	1,256
<b>Total trade</b>	<b>2,444</b>	<b>2,271</b>
<b>Note 27 Trust funds and deposits</b>		
Refundable deposits	668	813
Fire services levy	352	418
Retention amounts	65	55
<b>Total trust</b>	<b>1,085</b>	<b>1,286</b>

*Purpose and nature of items*

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

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

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

**Note 28 Provisions**

	Employee \$'000	Landfill restoration \$'000	Total \$'000
<b>2017</b>			
Balance at beginning of the financial year	4,367	10,629	14,996
Additional provisions	442	62	504
Amounts used	(189)	(82)	(271)
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	-	276	276
Balance at the end of the financial year	<b>4,620</b>	<b>10,885</b>	<b>15,505</b>
<b>2016</b>			
Balance at beginning of the financial year	4,159	10,484	14,643
Additional provisions	361	357	718
Amounts used	(153)	(372)	(525)
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	-	160	160
Balance at the end of the financial year	<b>4,367</b>	<b>10,629</b>	<b>14,996</b>

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

**Note 28 Provisions (cont.)**

	2017	2016
	\$'000	\$'000
<b>(a) Employee provisions</b>		
<b>Current provisions expected to be wholly settled within 12 months</b>		
Annual leave	1,462	1,445
Annual leave loading	112	106
Rostered days off	147	146
Long service leave	2,277	2,125
<b>Sub-total</b>	<b>3,998</b>	<b>3,822</b>
<b>Current provisions expected to be wholly settled after 12 months</b>		
Annual leave	125	124
<b>Sub-total</b>	<b>125</b>	<b>124</b>
<b>Total current employee provisions</b>	<b>4,123</b>	<b>3,946</b>
<b>Non-current</b>		
Long service leave	497	419
<b>Total non-current employee provisions</b>	<b>497</b>	<b>419</b>
<b>Aggregate carrying amount of employee provisions:</b>		
Current	4,123	3,946
Non-current	497	419
<b>Total aggregate carrying amount of employee provisions</b>	<b>4,620</b>	<b>4,365</b>
<b>(b) Landfill restoration</b>		
Current	81	145
Non-current	10,804	10,483
<b>Total aggregate carrying amount of landfill restoration provision</b>	<b>10,885</b>	<b>10,628</b>

**Note 29 Interest bearing loans and borrowings**

<b>Current</b>		
Borrowings - secured	1,041	966
	<u>1,041</u>	<u>966</u>
<b>Non-current</b>		
Borrowings - secured	3,572	4,614
	<u>3,572</u>	<u>4,614</u>
<b>Total Interest bearing loans and borrowings</b>	<b>4,613</b>	<b>5,580</b>
<b>(a) The maturity profile for Council's borrowings is:</b>		
Not later than one year	1,041	966
Later than one year and not later than five years	3,318	3,731
Later than five years	254	883
	<u>4,613</u>	<u>5,580</u>

Borrowings are secured by a lien on Council rate revenue.

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

**Note 30 Reserves**

	Balance at beginning of reporting period \$'000	Increment (decrement) \$'000	Balance at end of reporting period \$'000
<b>(a) Asset revaluation reserves</b>			
<b>2017</b>			
<b>Property</b>			
Land	39,048	(193)	38,855
Land Improvements	14,096	1,882	15,978
Buildings	57,745	(1,462)	56,283
	<u>110,889</u>	<u>227</u>	<u>111,116</u>
<b>Infrastructure</b>			
Roads	175,229	18,316	193,545
Bridges	16,948	-	16,948
Footpaths and cycleways	12,339	10,606	22,945
Drainage	32,121	900	33,021
Recreational, leisure and community facilities	1,401	(56)	1,345
Other infrastructure	3,135	-	3,135
	<u>241,173</u>	<u>29,765</u>	<u>270,938</u>
<b>Total asset revaluation reserves</b>	<b><u>352,062</u></b>	<b><u>29,992</u></b>	<b><u>382,054</u></b>
<b>2016</b>			
<b>Property</b>			
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>
<b>Infrastructure</b>			
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>
<b>Total asset revaluation reserves</b>	<b><u>328,630</u></b>	<b><u>23,432</u></b>	<b><u>352,062</u></b>

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

	Balance at beginning of reporting period \$'000	Transfer from accumulated surplus \$'000	Transfer to accumulated surplus \$'000	Balance at end of reporting period \$'000
<b>(b) Other reserves</b>				
<b>2017</b>				
Recreational open space reserve	964	15	(223)	756
Car parking reserve	251	-	(111)	140
Net gain native vegetation reserve	108	4	(21)	91
Botts Road - Murray Valley Highway intersection reserve	223	-	-	223
<b>Total Other reserves</b>	<b><u>1,546</u></b>	<b><u>19</u></b>	<b><u>(355)</u></b>	<b><u>1,210</u></b>
<b>2016</b>				
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
<b>Total Other reserves</b>	<b><u>1,338</u></b>	<b><u>361</u></b>	<b><u>(153)</u></b>	<b><u>1,546</u></b>

**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 2017**

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Note 31 Reconciliation of cash flows from operating activities to surplus/(deficit)</b>		
Surplus / (deficit) for the year	10,236	2,395
Depreciation/amortisation	10,425	9,546
Profit / (Loss) on disposal of property, infrastructure, plant and equipment	(55)	(110)
Impairment losses	-	362
Contributions - Non-monetary assets	(863)	(1,750)
Share of net profit of investments in associates	14	-
Share of net loss on investments in associates	-	(18)
Prior year capital works expensed	24	-
Fair value adjustment of intangible asset	(306)	(299)
Net value of previously unrecognised assets	(86)	(344)
Finance costs	391	465
Bad debts	17	38
<b>Change in assets and liabilities:</b>		
(Increase)/decrease in trade and other receivables	73	209
(Increase)/decrease in prepayments	(28)	(85)
(Increase)/decrease in accrued income	(29)	63
Increase/(decrease) in trade and other payables	174	142
Increase/(decrease) in other liabilities	(199)	306
(Increase)/decrease in inventories	(186)	43
Increase/(decrease) in provisions	512	353
Net cash provided by / (used in) operating activities	<u>20,114</u>	<u>11,316</u>
<b>Note 32 Financing arrangements</b>		
Credit card facilities	100	88
Fixed rate loan facilities	4,614	5,579
<b>Total facilities</b>	<u>4,714</u>	<u>5,667</u>
Used facilities	4,646	5,598
<b>Unused facilities</b>	<u>68</u>	<u>69</u>

Council does not have an overdraft facility.

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

**Note 33 Commitments**

The Council has entered into the following commitments

2017	Not later than 1	Later than 1 year	Later than 2 years	Later than 5	Total
	year	and not later than 2 years	and not later than 5 years	years	
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Operating</b>					
Garbage, recycling and organic waste collection	2,225	2,228	2,831	1,678	8,962
Computers and telecommunications	503	256	645	212	1,616
Maintenance and security of Council buildings	128	92	92	-	312
Cleaning contracts for council buildings	198	-	-	-	198
Environmental management	148	87	132	-	367
Recreation facilities management	816	-	-	-	816
Other services	215	216	41	-	472
<b>Total</b>	<b>4,233</b>	<b>2,879</b>	<b>3,741</b>	<b>1,890</b>	<b>12,743</b>
<b>Capital</b>					
Buildings	380	-	-	-	380
Roads	3,897	992	-	-	4,889
Other infrastructure	200	-	-	-	200
<b>Total</b>	<b>4,477</b>	<b>992</b>	<b>-</b>	<b>-</b>	<b>5,469</b>

2016	Not later than 1	Later than 1 year	Later than 2 years	Later than 5	Total
	year	and not later than 2 years	and not later than 5 years	years	
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Operating</b>					
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
<b>Total</b>	<b>4,214</b>	<b>3,850</b>	<b>6,347</b>	<b>859</b>	<b>15,270</b>
<b>Capital</b>					
Buildings	698	-	-	-	698
Roads	2,878	1,799	-	-	4,677
Other infrastructure	414	-	-	-	414
<b>Total</b>	<b>3,990</b>	<b>1,799</b>	<b>-</b>	<b>-</b>	<b>5,789</b>

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

**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):

	2017	2016
	\$'000	\$'000
Not later than one year	1,437	1,199
Later than one year and not later than five years	2,809	2,292
Later than five years	16	7
<b>Total</b>	<b>4,262</b>	<b>3,498</b>

**(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 2017, this was 9.5% as required under Superannuation Guarantee legislation).

**Defined Benefit**

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

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

**Funding arrangements**

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

As at 30 June 2016, an interim actuarial investigation was held as the Fund provides lifetime pensions in the Defined Benefit category. The vested benefit index (VBI) of the Defined Benefit category of which Council is a contributing employer was 102.0%. To determine the VBI, the fund Actuary used the following long-term assumptions:

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

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

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

**Employer contributions**

**Regular contributions**

On the basis of the results of the 2016 interim actuarial investigation conducted by the Fund Actuary, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2017, this rate was 9.5% of members' salaries (9.5% in 2015/16). 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 2017

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### **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.

#### **2016 Interim actuarial investigation surplus amounts**

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

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

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

#### **2017 Full triennial actuarial investigation**

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

#### **Future superannuation contributions**

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2018 is \$30,854.

### **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 (2015/16 \$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 (2015/16 \$200,000).

**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.

**Note 37 Financial instruments (cont.)**

**(d) Liquidity risk (cont.)**

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.

**(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 1.50%.

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

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

**Note 38 Related party transactions**

**(i) Related Parties**

*Parent entity*

Moira Shire Council is the parent entity.

*Subsidiaries*

Details of Council's investments in associates are disclosed in Note 16.

The following transactions occurred with associates:

(i) During the year, Moira Shire Council provided grants and subsidies to Goulburn Valley Regional Library Corporation with a total value of \$729,853.

(ii) The Council also provides some free rental accommodation to Goulburn Valley Regional Library Corporation.

(iii) Goulburn Valley Regional Library Corporation is dependent on funding provided by Council. Funding support has been agreed to by the Council for the 2017-18 financial year.

**(ii) Key Management Personnel**

Details of persons holding the position of Councillor or other members of key management personnel at any time during the year are:

**Councillors**

Councillor Gary Cleveland (Mayor)  
Councillor Marie Martin  
Councillor Kevin Bourke  
Councillor Wendy Buck  
Councillor Ed Cox  
Councillor Peter Mansfield  
Councillor Brian Keenan (01 July 2016 - 21 October 2016)  
Councillor Robert McPhee (01 July 2016 - 21 October 2016)  
Councillor Alex Monk (01 July 2016 - 21 October 2016)  
Councillor John Beitzel (07 November 2016 - 30 June 2017)  
Councillor Peter Lawless (07 November 2016 - 30 June 2017)  
Councillor Libro Mustica (07 November 2016 - 30 June 2017)

**Total Number of Councillors**

**Chief Executive Officer and other Key Management Personnel**

**Total Key Management Personnel**

	<b>2017</b>	<b>2016</b>
	<b>No.</b>	<b>No.</b>

	12	9
	4	4
	<b>16</b>	<b>13</b>

**(iii) Remuneration of Key Management Personnel**

Total remuneration of key management personnel was as follows:

Short-term benefits

Post-employment benefits

Other Long-term benefits

Termination benefits

**Total**

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>

	955	940
	85	82
	6	-
	106	-
	<b>1,152</b>	<b>1,022</b>

The numbers of key management personnel whose total remuneration from Council fall within the following bands:

	<b>2017</b>	<b>2016</b>
	<b>No.</b>	<b>No.</b>
\$0 - \$9,999	3	-
\$10,000 - \$19,999	3	-
\$20,000 - \$29,999	5	7
\$50,000 - \$59,999	-	1
\$60,000 - \$69,999	-	1
\$70,000 - \$79,999	-	1
\$80,000 - \$89,999	1	-
\$140,000 - \$149,999	1	-
\$170,000 - \$179,999	1	1
\$180,000 - \$189,999	-	1
\$250,000 - \$259,999	1	-
\$270,000 - \$279,999	1	1
	<b>16</b>	<b>13</b>

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

**Note 38 Related party transactions (cont.)**

**(iv) Transactions with related parties**

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

		2017 \$'000
Fees and charges charged to entities controlled by key management personnel	(a)	28
Employee expenses for close family members of key management personnel	(b)	106
Purchase of materials and services from associates of key management personnel	(c)	17
Purchase of materials and services from entities controlled by key management personnel	(d)	10

- (a) The fees and charges charged to associates and entities controlled by key management personnel were in accordance with the schedule of fees and charges adopted by Council.
- (b) All close family members of key management personnel were employed through an arm's length process. They are paid in accordance with the Award for the job they perform. Council employs 232 staff of which only two are close family members of key management personnel.
- (c) Council purchased the following material and services from associates of key management personnel. All purchases were at arm's length and were in the normal course of Council operations:
- (i) Sand and gravel supplies  
As at 30 June 2017 there were no amounts owed by Council to the company.
- (d) Council purchased the following material and services from entities that are controlled by members of key management personnel. All purchases were at arm's length and were in the normal course of Council operations:
- (i) Plumber's and general supplies  
As at 30 June 2017 there were no amounts owed by Council to the company.

**(v) Outstanding balances with related parties**

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties

	2017 \$'000
Fees and charges charged to entities controlled by key management personnel	2
Employee expenses for close family members of key management personnel	5

No expense has been recognised in the current year or prior year for bad or doubtful debts in respect of amounts owed by related parties.

**(vi) Loans to/from related parties**

Council does not make loans to or receive loans from related parties. No guarantees have been provided.

**(vii) Commitments to/from related parties**

Council has no outstanding commitments to/from other related parties.

**Note 39 Senior Officer Remuneration**

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

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

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

Income Range:	2017 No.	2016 No.
Less than \$142,000	2	2
\$150,000 - \$159,999	1	1
\$160,000 - \$169,999	1	1
\$360,000 - \$369,999	-	1
	4	5
	2017 \$'000	2016 \$'000
Total Remuneration for the reporting year for Senior Officers included above, amounted to	597	934

**Note 40 Events occurring after balance date**

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

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## 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, CPA*  
**Principal Accounting Officer**

**Date:** 20 September 2017  
Cobram

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

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

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



*Gary Cleveland*  
**Mayor**  
**Date:** 20 September 2017  
Cobram



*Marie Martin*  
**Deputy Mayor**  
**Date:** 20 September 2017  
Cobram



*Mark Henderson*  
**Chief Executive Officer**  
**Date:** 20 September 2017  
Cobram

# Independent Auditor's Report

## To the Councillors of Moira Shire Council

**Opinion** I have audited the financial report of Moira Shire Council (the council) which comprises the:

- balance sheet as at 30 June 2017
- comprehensive income statement for the year then ended
- statement of changes in equity for the year then ended
- statement of cash flows for the year then ended
- statement of capital works for the year then ended
- notes to the financial statements, including a summary of significant accounting policies
- certification of the financial statements.

In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2017 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 6 of the *Local Government Act 1989* and applicable Australian Accounting Standards.

**Basis for Opinion** I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. My responsibilities under the Act are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

My independence is established by the *Constitution Act 1975*. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.

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

**Councillors' responsibilities for the financial report** The Councillors of the council are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Local Government Act 1989*, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Councillors are responsible for assessing the council's ability to continue as a going concern, and using the going concern basis of accounting unless it is inappropriate to do so.

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**Auditor's responsibilities for the audit of the financial report**

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the council's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Councillors
- conclude on the appropriateness of the Councillors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the council's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the council to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Councillors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

---



Tim Loughnan

*as delegate for the Auditor-General of Victoria*

MELBOURNE  
25 September 2017

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find us on [facebook](#)



**Phone** (03) 5871 9222

**NRS** 133 677

**Fax** (03) 5872 1567

**Email** [info@moira.vic.gov.au](mailto: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

### Information Agencies

**Visitor Information Centre**

99 Melville Street, Numurkah

**Barmah Forest Heritage and Education Centre**

73 Blake Street, Nathalia

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 and Wunghnu Post Office