

towongshire



2015/16

# ANNUAL REPORT

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# Introduction

## Welcome

Council is committed to transparent reporting and accountability to the community. This Annual Report provides a summary of Council's operations and performance for 2015/16. It reports Council's progress towards achieving the objectives, measures and priorities set out in the Council Plan 2013-17 as well as how the financial performance for 2015/16.

This report also contains a snapshot of significant events, achievements and changes that occurred throughout the year together with audited Financial Statements and other information as prescribed by the *Local Government Act 1989* and the *Local Government Regulations*.

## About Towong Shire

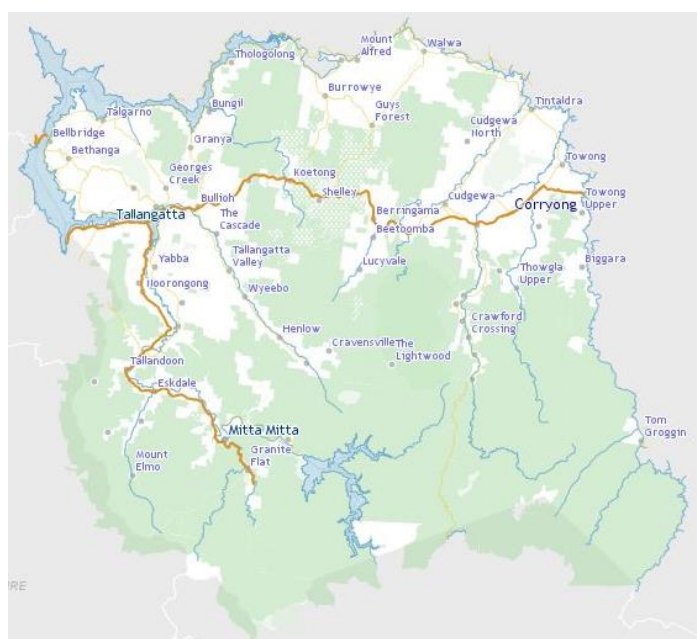
Towong Shire is located in far north-eastern Victoria and possesses some of Australia's most pristine environment. Wilderness areas, lakes, rivers and streams create diverse landscapes that are enjoyed by a residential population of around 6,000 and many visitors across an area of 6,635km<sup>2</sup>.

The economy of the region revolves around a rich agricultural sector, tourism and timber production and processing. Approximately two-thirds of businesses located in the Shire are in the agriculture and forestry industries.

<b>Population</b>	5,896 (2011)	<b>Council roads</b>	825km
<b>Area</b>	6,635km <sup>2</sup>	<b>Arterial roads</b>	483km
<b>Median age</b>	47 years old	<b>Bridges and major culverts</b>	167

### Towns and communities

Bellbridge, Berringama, Bethanga, Bullioh, Burrowye, Corryong, Cudgewa, Dartmouth, Eskdale, Granya, Koetong, Lucyvale, Mitta Mitta, Nariel, Old Tallangatta, Talgarno, Tallangatta, Tallangatta Valley, Tintaldra, Towong, Walwa.



# Introduction

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## About our organisation

### Vision

We will be a World Class small Council and Towong Shire will be the ideal place to live.

### Mission

To provide leadership and service to the Towong Shire community that adds value and enhances social, economic and environmental wellbeing now and in the future.

### Values

Respect: We will listen and consider other perspectives and treat each other with courtesy.

Integrity: We will seek the common good.

Pride: We will always take care in what we do.

Teamwork: We will help others to achieve by being positive, enthusiastic and confident.

## Acknowledgments

Towong Shire Council acknowledges the support of the Commonwealth Government of Australia and the State Government of Victoria.



# The year in review

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## A message from the Mayor and Chief Executive Officer

Welcome to our 2015/16 Annual Report. This is an opportunity to report back to the community on Towong Shire Council's achievements and challenges.

We hope that by reading this Annual Report, our community feels confident and proud of the achievements of their Council.

Towong is like many other smaller Councils in rural Victoria in that its large geographic area and small population presents significant challenges to fund new infrastructure, as well as catering for the renewal of existing community assets.

All of this needs to be done in a way that is responsive to the needs of the community.

Our Shire has a declining population and there are significant geographical distances between our communities which presents challenges in getting the balance right when delivering services in an equitable way.

This year, we were further impacted by the introduction of the Victorian Government's Fair Go Rates System, which came into force from 1 July 2016, and required a lot of pre-planning and a comprehensive review of the Council's operations.

Our Council supports the principles underpinning the Fair Go Rates System, particularly to contain the cost of living for Towong Shire ratepayers.

Our Council has taken the long-term approach of becoming more sustainable by looking for opportunities to grow its population.

Those of us who already live and work in the Shire know about its wonderful attributes so our challenge will be planning and providing for this growth in a way that means Towong does not lose the attributes which make it so wonderful.

However, there are significant benefits in well-planned population growth, including better usage of existing rural infrastructure and costs being spread over a larger ratepayer base.

This is why we are planning for key communities (Tallangatta Tomorrow, Our Bellbridge, Our Valley Our Future, Upper Murray 2030) and building new recreational facilities and multi-purpose centres throughout the Shire, which add to the attractiveness and liveability of our Shire.

We are fully aware that if we don't provide these basic services and infrastructure, people will relocate to larger shires and regional cities where they can access a level of services and infrastructure that meets their needs.

As well as these challenges, we have enjoyed some great highlights, which are detailed in this report.

As a summary, they include continued operational savings and efficiencies, including shared services with neighbouring Councils, as well as the provision of new infrastructure in many towns, which have already become well utilised facilities.

# The year in review

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Towong continues to be known as an environmentally aware Council and we will continue to protect that for future generations.

We were very pleased that an EPA audit conducted of the Corryong landfill identified no major issues and we will continue to apply thorough sustainability principles to all areas of our Council operations.

Towong has this year been successful in being appointed to provide Secretariat Services to Rural Councils Victoria, which again is testament to the excellent reputation of our Council throughout the State.

We continue to encourage our community to be actively involved in their Council and we pride ourselves on the exceptional level of service we offer.

We thank the community for its ongoing support as we continue to diversify and adapt to a changing economic environment.



**Cr David Wortmann**  
Mayor



**Juliana Phelps**  
Chief Executive Officer

# The year in review

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## Highlights of the year

<b>July 2015</b>	Council commenced operating the Corryong Saleyards in June 2016 following the expiration of the long-term lease arrangements. New scales were installed, fees determined and operating practices implemented at the facility.
<b>August 2015</b>	An audit was completed by the Victoria State Emergency Service of Towong Shire's <i>Municipal Emergency Management Plan</i> . This is an important document for Council and emergency management agencies and guides the local approach in a wide range of emergency situations. The Plan was assessed as complying with the guidelines, testament to the large amount of preparatory work that is undertaken in planning for emergencies.
<b>September 2015</b>	Council delivers a rates and property shared service across Towong and Indigo Shires. An annual review of this shared service demonstrated an annual cost of \$12.14 per assessment. This was a saving of \$2.20 per assessment (or an annual saving of \$9,938 for Towong) on forecast costs and demonstrates Council's continued approach to strong financial management and shared service partnerships.
<b>October 2015</b>	Council established MomentumOne Shared Services Pty Ltd with Alpine Shire Council. This initiative continues Council's approach to increasing efficiencies and reducing costs by supporting the delivery of cost effective services in a way which take advantage of innovative technology and economies of scale. MomentumOne provided lifeguards for the seasonal pools in Corryong and Tallangatta over the 2015/16 summer.
<b>November 2015</b>	Concept plans for the Upper Murray 2030 Vision Plan were released for community input. This is a community planning project which has the potential to drive investment into the Upper Murray by identifying projects and their potential to build regional long-term sustainability, prosperity and health. The project was championed by Upper Murray Business Incorporated, in partnership with Upper Murray Health and Community Services, Towong Shire Council and Tumbarumba Shire Council, as well as key members of the local community.
<b>December 2015</b>	Council was successful in securing \$2.6 million for Destination Tallangatta under the Australian Government's National Stronger Regions Fund. Destination Tallangatta is a \$5.3 million project which delivers the remaining priority projects identified in the Tallangatta Tomorrow masterplan. These include traffic management and streetscape beautification works in Towong Street, Lake Hume foreshore improvements, a new foreshore playground, the Tallangatta Holiday Park upgrade and improved pedestrian links between the Rail Trail, main shopping district, residential areas and foreshore.



## The year in review

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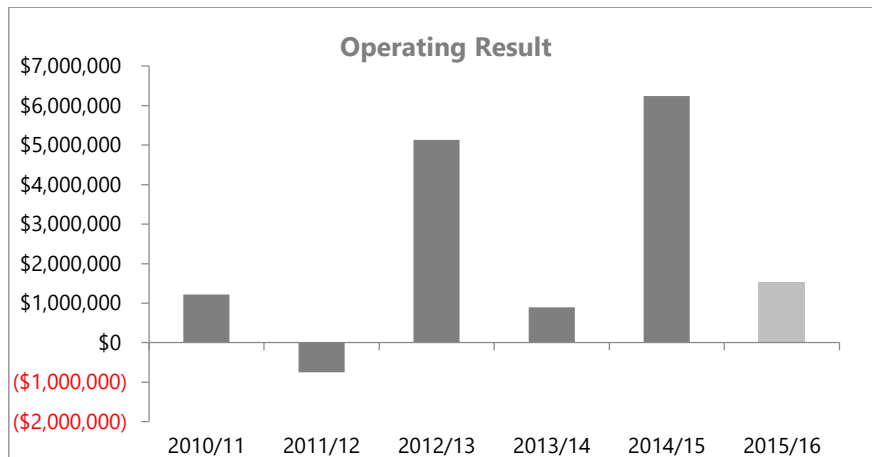
<b>January 2016</b>	Council completed the roll-out of Voice Over Internet Protocol (VOIP) across all of its sites. VOIP is a phone service which can result in conversations taking place over the internet. This has been introduced at many Victorian councils and is a reliable service which will save Council approximately \$6000 per annum.
<b>February 2016</b>	In February 2016, the Mayor and Chief Executive Officer met with the Minister for Local Government, the Hon Natalie Hutchins, and the Member for Northern Victoria, Jaclyn Symes. Discussion centred on the work already undertaken by Council to be as efficient, innovative and sustainable as possible. The Mayor confirmed that Council supports the principles underpinning the new Fair Go Rates System, particularly to contain the cost of living for Towong Shire ratepayers, and that it is seeking support to address long-term financial sustainability concerns.
<b>March 2016</b>	Inspirational speaker Paul de Gelder visited Towong Shire and conducted a workshop with local youth to encourage them to improvise, adapt and overcome when faced with adversity. A former Army paratrooper and Navy clearance diver, Mr de Gelder was attacked by a shark in 2009 and lost two limbs. He has since travelled around the world encouraging people to overcome life challenges.
<b>April 2016</b>	With much excitement from the community, the new \$745,000 Wyebooboo Multi-Purpose Centre in the Tallangatta Valley was completed in time for the start of the football and netball season. The new space features a kitchen, dining area, improved access, a first aid room, change rooms and storage space for community groups. Council's contribution was buoyed by community and Victoria Government funding.
<b>May 2016</b>	The Essential Services Commission (ESC) granted approval for a higher rate cap (6.34%) after Council demonstrated that additional revenue was critical for the delivery of essential community services and infrastructure. The ESC confirmed that the higher rate cap was consistent with Towong's well-developed long-term financial plan to deliver sustainable outcomes in services and critical infrastructure in the long-term interests of the community. In recognition of the need to minimise the financial impact on ratepayers, Council adopted a 3.5% rate increase for 2016/17.
<b>June 2016</b>	Tallangatta's new Library, Early Years and Community Centre was completed and use of the library commenced in June 2016. The centre, officially opened in August, is a modern building, designed to meet the community's needs now and into the future. The facility also includes a community activity space, a new maternal and child health office, kindergarten and childcare facilities.

# The year in review

## Financial summary

### Operating result

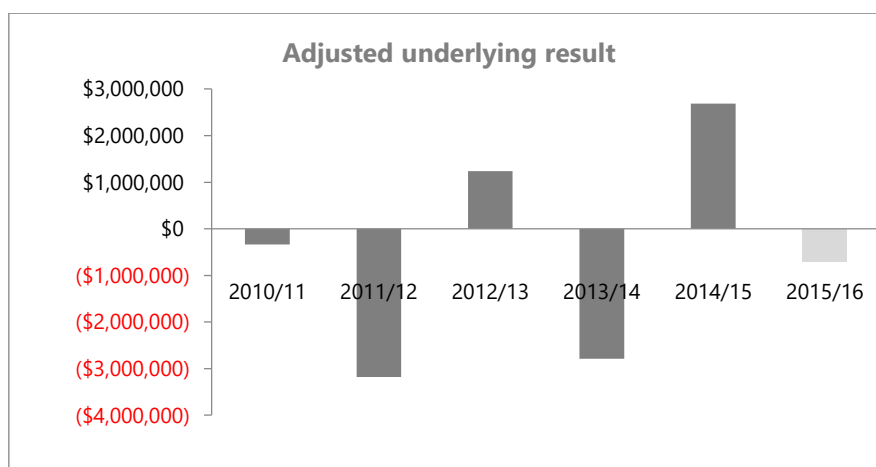
The result shown in the Comprehensive Income Statement for the period was a surplus of \$1,538,000. A comparison of Council's Operating Result from 2010/11 to 2015/16 is provided in the graph below.



The current year's surplus is the difference between Council's income and expenses. Council's income includes all revenue due to the Council, such as rates, fees, grants, private works and interest. Expenses include all costs associated with running Council operations and maintaining assets. It also includes expenditure constructing or redeveloping community buildings located on non-Council owned land, where control of the building returns to the landowner on completion of the project. It does not include expenses of a capital nature, such as upgrading roads, purchasing equipment or developing buildings on Council owned land.

### Adjusted underlying result

The adjusted underlying result is Council's operating result less any capital grants. The adjusted underlying result is a measure of financial sustainability. A comparison of Council's adjusted underlying result from 2010/11 to 2015/16 is provided in the graph below.



# The year in review

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## Grant income

Grant income decreased from the prior year by \$5.2 million. The main contributors to this change were:

- The timing of payments from the Victorian Grant Commission (VGC). In June 2015, Council was pre-paid \$1.8 million from the 2015/16 allocation by the VGC. This meant the 2015/16 grants would be \$1.8 million lower than anticipated;
- The cessation of the State Government funded Country Roads and Bridges program which equated to \$1.0 million; and
- The non-recurrent capital grants were \$1.1 million less than 2014/15 due to funding received for the Tallangatta Integrated Community Centre and black spot funding for a major road upgrade.

## Expenses

Expenses have decreased from the prior year by \$336,000. The major item contributing to this decrease was there were several positions that were not filled and a number of positions that remained vacant longer than expected whilst employees were recruited.

## Capital expenditure

Capital works budgeted for in the 2015/16 Budget included projects that would be completed and capitalised in future years. In some instances Council's commitment to a project is required before government funding applications are made. There are a number of projects that have been committed to subject to the outcomes of government funding that form part of the Destination Tallangatta project and Corryong Airport upgrade. These funding applications were successful in 2015/16 and these projects will be completed over the next two financial years. The multi-year projects are considered as work in progress at 30 June 2016 (refer to Note 21 to the Financial Statements).

	<b>Actual 2015/16</b> # of projects	<b>Budget 2015/16</b> # of projects	<b>Delivered</b> %
Capital works – completed 2015/16	20	20	100%
Capital works – postponed pending additional funding	14	14	
Capital works – multi-year projects	1	1	
Capital works – future delivery	2	2	
	<b>37</b>	<b>37</b>	

# The year in review

## Major capital works

<b>Tallangatta's new Library, Early Years and Community Centre</b>	\$2.8 million	The construction of Tallangatta's new Library, Early Years and Community Centre, on Towong Street Tallangatta, was completed in June 2016. The new centre is a modern building that is designed to meet the community's needs now and into the future. The building incorporates best practice environmental design features and includes a library, community activity space, meeting rooms, maternal and child health office, kindergarten and childcare facilities.
<b>Wyeewoo Multi-Purpose Centre</b>	\$745,000	The Wyeewoo Multi-Purpose Centre was constructed in the Tallangatta Valley. Incorporating male and female change rooms, umpire rooms, accessible public amenities, function space and kitchen, the centre was ready for use at the start of the 2016 football and netball season.
<b>Our Bellbridge – masterplan works</b>	\$588,541	Building on the Our Bellbridge works that were completed in 2014/15, this year Council delivered upgrades to the Foreshore Park and landscaping on the Bellbridge foreshore, a new playground at the Roy Williams Reserve, new shelters and seating and upgraded toilet facilities.
<b>Georges Creek Road Stage 3</b>	\$354,380	The construction of Stage 3 of Georges Creek Road was completed.
<b>Colac Colac Caravan Park</b>	\$237,641	The residence at the Colac Colac Caravan Park was upgraded in 2015/16.
<b>Corryong and Tallangatta Resource Recovery Centres</b>	\$195,861	Upgrades were completed at both the Corryong and Tallangatta transfer stations with the assistance of funding from Sustainability Victoria. The improvements included the installation of additional storage, access roads and hardstand areas to improve the separation of recyclables.
<b>Street Lighting upgrade</b>	\$192,777	Streetlights in the Shire's urban areas have been upgraded to LEDs as an energy-saving initiative. This project is anticipated to achieve annual savings of approximately \$43,000 at current electricity prices with an estimated payback of seven years. The upgrade will eliminate the equivalent of more than 100,000 tonnes of CO2 per year.

# The year in review

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## Challenges and future outlook

Like other small Councils across rural Victoria, Towong Shire's large geographic area and small population present significant challenges – to adequately fund the maintenance and renewal of community assets and deliver responsive services that meet the needs of the community. A declining population, vast distances between communities and an economy that largely revolves around climatic conditions (particularly agriculture, forestry and tourism) are further factors which have an impact on our financial capacity.

### Addressing financial sustainability

While our organisation has long recognised the risks to our long-term sustainability, in 2009 Council received the results of the 'Whelan Report' which presented a very low sustainability rating for our organisation. In response we developed a robust long-term financial plan that gave us a clear picture of our financial future. In the medium term, Council is aiming towards a 'break-even' underlying net result (i.e. this means our operating expenditure equals operating income).

We introduced a systematic and aggressive cost reduction program and incorporated these savings into the long-term financial plan. In early 2014, on the basis of:

- Maintaining existing levels of service and the current approach to asset renewal;
- Continuing to implement our cost reduction program;
- Adopting annual rates increases of between 4% and 6%; and
- An assumption that the Financial Assistance Grants would continue to increase at a level of 3% per annum,

our organisation could look forward to a 'break-even' financial result in 2017/18.

The original cost reduction program included:

- Water supply and usage (savings of \$20,000 pa);
- Motor vehicle policy changes (savings of \$130,000 pa);
- Banking services (savings of \$16,000 pa);
- In-house garbage collection services (savings of \$70,000 pa);
- Organisational structure changes (savings of \$250,000 pa);
- Shared services for property and rates (reduced cost of service per property by 15%); and
- Rationalisation of overheads including printing, subscriptions and advertising.

### Financial Assistance Grants indexation freeze

The Federal Government's freeze on the indexation of Financial Assistance Grants to local government significantly impacted Council's already lean financial situation. This decision resulted in a \$658,000 decrease to Council's projected income over the 2014/15, 2015/16 and 2016/17 financial years. To put this into perspective, a 1% increase to Council's rates and municipal charge income generates an additional \$63,000.

To partially offset the loss of income from the funding freeze Council introduced the following measures:

- Reduced the length of the summer swimming pool season (savings of \$6,000 pa);
- Reduced its casual roads maintenance workforce (savings of \$75,000 pa);
- Ceased mobile library services (savings of \$50,000 pa);
- Ceased the funded position for the Towong Alliance partnership (savings of \$23,000 pa); and
- Reduced the opening hours of the Corryong Office/Library (savings of \$3,000 pa).

# The year in review

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## Introduction of Fair Go Rates Policy

Adding further strain to Council's long-term financial outlook was the introduction of the Victorian Government's Fair Go Rates System from 1 July 2016. Whilst Council supports the principles underpinning the Fair Go Rates System, particularly to contain the cost of living for Towong Shire ratepayers, Council recognises that with no change to current funding arrangements, the new system places additional pressure on Council's long-term financial outlook.

Unlike larger councils who can generate income through parking fines, development contributions and levies, councils like Towong Shire rely on income from rates and grants to deliver core services. Based on estimated rate caps, Council will be unable to continue to fund services and maintain and renew infrastructure at 2016 levels, and return to a break even underlying net result.

## Higher rate application

In preparing a draft budget for 2016/17, Council's long term financial modelling was updated to establish the rate increase that would be required to ensure that Council could sustainably deliver services and maintain and renew infrastructure at current levels into the future. The modelling indicated that a rate increase of 6.34% was required to be financially sustainable in accordance with Council's Long Term Financial Plan and the Victorian Auditor General's financial sustainability indicators. A rate increase of this magnitude would be required each year for the next ten years.

As the rate increase required for Council to be financially sustainable was greater than the 2.5% rate cap announced by the Minister, an application was made to the Essential Services Commission (ESC) for a higher rate cap of 6.34%.

The ESC conducted a comprehensive review of Council financial data and analysis. On 31 May 2016, the ESC announced that Council's application for a higher rate cap (6.34%) was approved for the 2016/17 financial year. In the accompanying report, the ESC stated "that the higher cap is consistent with Towong's well developed long-term financial plan to deliver sustainable outcomes in services and critical infrastructure in the long-term interests of its community. We find Towong's application and long-term financial plan to be consistent with the requirements of the Fair Go Rates System."

## Adopted budget 2016/17

As stated previously Council supports the principles underpinning the Victorian Government's Fair Go Rates System, particularly to contain the cost of living for Towong Shire ratepayers. In support of this, the final Budget 2016/17 that was adopted by Council contained a rate increase of 3.5% (and not 6.34% as had been approved). Reductions for a number of services were required to accommodate this lower rate increase:

1. Cease to match the Victorian Government contribution to the three local State Emergency Services units from July 2016 (\$32,340);
2. Youth events budget reduced by \$9,000;
3. Seniors event budget reduced by \$9,000;
4. Funding to the Eskdale pool reduced by \$1,000;
5. Tallangatta and Corryong pool budget reduced by \$10,000;
6. Membership of the Murray Darling Association ceased (saving \$1,500);
7. Participation in the whole-of-government community satisfaction survey ceased (saving \$9,000);
8. Local Government tertiary scholarship ceased (saving \$21,000);
9. Contribution to Murray Arts reduced by \$2,000;

# The year in review

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10. Budget available for annual salary and wage increases capped at 1% or CPI, whichever is the lesser (saving \$87,000);
11. Staff training budget reduced by \$9,000; and
12. Membership of Timber Towns for 2016/17 ceased and review for 2017/18 (saving \$2,500).

In addition to the above changes for 2016/17, Council requested a review of a number of operational areas:

- Swimming pools – consider alternative operating models, including the possibility of a community run model;
- Maternal and child health services – consider opportunities for service delivery efficiencies or for better targeting of services; and
- Corryong and Tallangatta transfer station operations – consider alternative operating hours / models.

Whilst the draft Budget had proposed to cease the contributions to the three local State Emergency Services units from July 2016, as a result of community feedback, Council extended the funding until October to enable the Victorian State Emergency Service to establish alternative funding arrangements (saving \$24,255 instead of \$32,340).

## Ongoing financial sustainability

Council is balancing the capacity of ratepayers to pay increased rates and ensuring that Council is able to provide services and maintain infrastructure in the longer term. The financial modelling indicates that Council requires additional revenue to fund future infrastructure and service delivery needs. Council supports the Fair Go Rates System and believes that ratepayers should not be burdened with increases to the cost of living, particularly where the responsibility lies with State and Commonwealth Governments. We believe that additional revenue should come from other levels of government rather than Towong Shire ratepayers. Alternatively, it may be appropriate for some services to be fully funded or provided by the State Government. To progress this Council formally requested a meeting with the Premier to discuss alternative funding options for Towong Shire.

Unfortunately a meeting with the Premier was not made available and instead the Mayor and Chief Executive Officer met with the Treasurer in August 2016. The Treasurer was presented with a snapshot of Council's financial sustainability challenges, particularly external environmental factors affecting:

- Revenue:
  - Indexation freeze on Financial Assistance Grants;
  - Imposition of the Fair Go Rates Policy; and
  - Cessation of Country Roads and Bridges program.
- Expenditure:
  - Costs imposed on councils;
  - Compliance responsibilities imposed on councils;
  - Significant infrastructure assets managed by rural councils;
  - Delivering services over vast geographic areas; and
  - Contributions to services and infrastructure to facilitate basic service levels for the community (eg. contribution to mobile phone towers, libraries, maternal and child health facilities, kindergartens).

# The year in review

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As a result of this meeting a report detailing a range of administrative and service costs borne by Council was submitted to the Treasurer in late August 2016. These costs included:

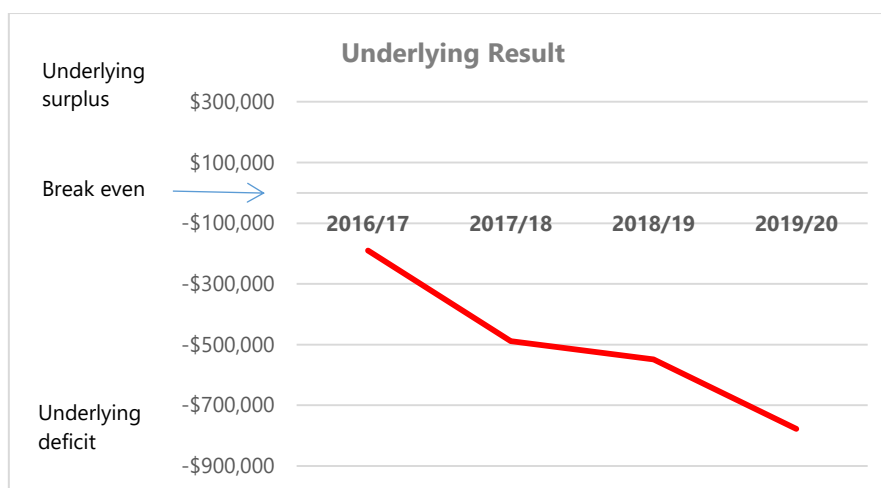
- Community Satisfaction Survey;
- Election cost;
- Electoral Representation Review;
- External Audit;
- Maternal and Child Health service;
- Kindergartens;
- Immunisation;
- School crossing supervisors;
- Library;
- Planning;
- Victorian State Emergency Service;
- Fire Plug Maintenance; and
- General Revaluations.

Council is yet to receive a response to the submission.

## Reduced cash reserves / underlying result

In preparing the final Budget and Strategic Resource Plan for 2016/17, Council adopted a rate increase of 3.5% for 2016/17 and forecast a rate increase of 6.34% for each of the following three years to be financially sustainable and to have sufficient cash reserves to meet future service delivery and asset renewal needs.

Based on a rate cap of 2%, Towong's financial modelling demonstrates that Council would experience increasing underlying deficits over coming years, as displayed in the following chart. Underlying deficits will erode Council's cash reserves and impact on Council's ability to fund Council services and recommended infrastructure renewal in the medium term, with Council's cash reserves exhausted by 2019.



In order to address this deteriorating financial position, Council will need to consider short term measures to manage its liquidity by:

- Cutting basic services to the community; and
- Reducing maintenance and asset renewal of its extensive infrastructure network (primarily roads and bridges).



# The year in review

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Council's long term response to sustainability is to increase the number of people residing in communities throughout the Towong Shire. This would support better utilisation of existing rural infrastructure and result in costs being spread over a larger ratepayer base. Council has demonstrated its commitment to this long term strategy with its delivery of a number of key strategic projects, including:

- Master planning exercises in key communities (Tallangatta Tomorrow, Our Bellbridge, Our Valley Our Future, Upper Murray 2030);
- Construction of new recreational facilities and multi-purpose centres throughout the Shire (Cudgewa, Mitta Mitta, Tallangatta, Walwa, Wyeefoo);
- Construction of a new Library, Early Years and Community Centre in Tallangatta; and
- Progression of a Domestic Wastewater Management Plan to enable additional residential development in sought after areas of the Shire.

If there is not adequate funding to provide basic services and infrastructure, people will relocate to larger shires and regional cities where they can access a level of services and infrastructure that meets their needs. A reduction in the local population becomes a downward spiral for rural towns, as there are less residents to contribute to the community and to share the cost of local services and infrastructure. This in turn places greater financial pressure on rural councils.

A short term response to addressing Council's deteriorating financial position will compromise a longer term, more sustainable approach that will assist our rural communities to be more vibrant and our Council to be more financially sustainable into the future.

We are actively addressing our concerns by:

1. Continuing to engage with Commonwealth and Victorian Government representatives through meetings, formal submissions and collaborative campaigns;
2. Exploring further opportunities to reduce the cost of doing business, especially through shared service delivery arrangements;
3. Developing a plan to consult with our communities about their expectations for the delivery of Council services; and
4. Partnering with Rural Councils Victoria to identify opportunities to improve the sustainability of rural councils and their communities.

# Our Council

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## Councillors



### **Cr David Wortmann – Mayor**

First elected 29 November 2008

Cr David Wortmann has lived in Granya all his life and is married with two children. He and his wife operate a school bus service. He also runs a beef and sheep farm. Cr Wortmann was elected Mayor in November 2014.



### **Cr Aaron Scales – Deputy Mayor**

First elected 27 October 2012

Cr Aaron Scales was raised on his family's farm at Dartmouth and has settled in the town with his wife Naomi and three children. Cr Scales studied in Law, Accounting and Hospitality/Tourism and is currently the owner and manager of a hotel and also works in a business development role. Cr Scales served as Deputy Mayor since November 2014.



### **Cr Mary Fraser OAM**

First elected 15 March 1997

Cr Mary Fraser OAM has lived in Towong Shire all her life and resides in Tallangatta Valley on a farm with her husband and family. Cr Fraser has served eight terms as Mayor/Shire President with Towong Shire Council and the former Shire of Tallangatta.



### **Cr Debi Gadd**

First elected 29 November 2008

Cr Gadd has lived in the Towong Shire at Mount Alfred for over 30 years where she and her husband operate a mixed beef and sheep property. Cr Gadd's career background is in nursing and management. She is a member of the Australian Institute of Company Directors.



### **Cr Peter Joyce**

First elected 15 March 2003

Cr Joyce has resided in the Shire for over 30 years and with his wife Fairlie, has five children. Cr Joyce has had a varied career as a Stock and Station agent, Police Officer, Greengrocer, operator of a Café/Restaurant and Funeral Director.

All Councillors were elected (or re-elected) to Council at elections held on Saturday 27 October 2012. They were elected for a four-year term and are due to retire in October 2016.

# Our people

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## Management team

The Chief Executive Officer is appointed by Council to oversee the operations of the organisation. The Chief Executive Officer, together with a team of senior managers, ensure that the priorities identified in the Council Plan are achieved and that day-to-day responsibilities of the Council are effectively undertaken.

### **Juliana Phelps**

Chief Executive Officer

Juliana commenced with Council in April 1999 and was appointed Chief Executive Officer in May 2009. Prior to joining Council, Juliana held a senior management position in the manufacturing sector. She has also had experience auditing private and public organisations. Juliana is a Chartered Accountant with a Bachelor of Business Degree in Accounting and Economics. She completed her Masters of Business Administration through Charles Sturt University in 2003 and is also a graduate of the Australian Institute of Company Directors.

### **Jamie Heritage**

Director Technical Services

Jamie commenced with Towong Shire Council in May 2011. Jamie came to Council from Indigo Shire Council where he held the position of Capital Works Manager and later acted as the General Manager for Major Projects and Programs. Prior to this he worked in a number of roles in private industry and Local Government. He has a broad understanding of roads and drainage together with design and development expertise.

### **Jo Shannon**

Director Community and Corporate Services

With over 15 years experience in public sector financial and executive management, Jo commenced as Director Community and Corporate Services in December 2013. Prior to local government, her management experience has been gained in the alpine sector and in the private sector in Melbourne. She has a Bachelor of Business (Accounting) and is a member of CPA Australia.

# Our people

## Organisational structure

### Chief Executive Officer

Juliana Phelps

### Executive Services

Executive and Councillor support  
Customer service

### Technical Services

Director – Jamie Heritage

#### Works

Infrastructure maintenance  
Parks and open spaces

#### Projects

Construction and development

#### Assets

Asset management  
Capital projects  
Emergency Management

#### Regulatory control

Animal control and local laws  
Building services  
Environmental health

#### Environment

Waste management  
Wastewater and water supply projects  
Forest industry support

### Community and Corporate Services

Director – Jo Shannon

#### Community

Kindergartens  
Maternal and child health  
Recreation  
Youth, family and senior programs

#### Finance

Accounting  
Budget  
Rates and property  
Payroll

#### Corporate

Communications  
Risk management and insurance  
Governance  
Human resources

### Planning

Manager – Simon Hollis

Strategic and statutory land-use planning

### Economic and Tourism Development

Manager – Lauren Elvin

Business support  
Agricultural diversity  
Visitor information centres  
Event support

# Our people

## Workforce statistics

Our human capital is of vital importance in delivering positive outcomes for our communities.

A summary of the number of full time equivalent (FTE) council staff, as at 30 June 2016, by key result area, employment type and gender is set out below.

Key result area	Full Time		Part Time		Casual		Total (FTE)
	Female	Male	Female	Male	Female	Male	
Organisational improvement	6.0	4.0	4.0	-	-	-	14.0
Community wellbeing	1.0	-	5.8	-	0.1	-	6.9
Asset management	1.0	27.0	1.2	0.5	0.7	0.4	30.8
Land-use planning	-	2.0	-	-	-	-	2.0
Environmental sustainability	-	-	-	0.7	-	0.2	0.9
Economic and tourism development	1.0	0.3	-	-	-	-	1.3
	<b>9.0</b>	<b>33.3</b>	<b>11.0</b>	<b>1.2</b>	<b>0.8</b>	<b>0.6</b>	<b>55.9</b>

A summary of the number of full time equivalent (FTE) council staff, as at 30 June 2016, by employment classification and gender is set out below.

Employment classification	Female (FTE)	Male (FTE)	Total (FTE)
Band 1	0.8	-	0.8
Band 2	1.3	0.4	1.7
Band 3	-	15.0	15.0
Band 4	4.3	7.7	12.0
Band 5	2.2	4.8	7.0
Band 6	3.0	1.0	4.0
Band 7	1.0	1.0	2.0
Band 8	1.0	1.0	2.0
Band not applicable	7.4	4.0	11.4
	<b>21.0</b>	<b>34.9</b>	<b>55.9</b>

# Our people

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## Equal opportunity employment program

Council has a Discrimination, Workplace and Sexual Harassment, Equal Employment Opportunity and Diversity policy that is reviewed and adopted each year.

Council's policy is that discrimination relating to sex, marital status, parenthood, race, colour, national origin, physical or mental impairment, religious or political affiliation will not be tolerated. Selection of individuals for employment is on the basis of personal merit according to the skills, qualifications and knowledge relevant to the position involved.

The objectives of this policy are:

- Create a working environment which is free from discrimination and harassment and where all members of staff are treated with dignity, courtesy and respect;
- Implement training and awareness raising strategies to ensure that all employees know their rights and responsibilities;
- Provide an effective procedure for complaints based on the principles of natural justice;
- Treat all complaints in a sensitive, fair, timely and confidential manner;
- Guarantee protection from any victimisation or reprisals;
- Encourage the reporting of behaviour which breaches the discrimination and harassment; and
- Promote appropriate standards of conduct at all times.

Actions taken to implement Council's equal employment opportunity policy include:

- Awareness training of equal employment opportunity principles at staff meetings;
- Recruitment processes support the engagement of staff based on merit;
- Flexible working arrangements are supported to enable all employees to balance work and family commitments / responsibilities; and
- Expectations regarding employee conduct discussed as part of employee induction and thereafter on a quarterly basis.

Council's policy reflects our desire to enjoy a workplace free of discrimination where each person has the opportunity to progress to the extent of their abilities.

# Our performance

## Planning and accountability framework

The Planning and Accountability Framework is found in Part 6 of the Act. The Act requires councils to prepare the following planning and reporting documents:

- A Council Plan within 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.



# Our performance

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## Council Plan

The Council Plan 2013-17 includes strategic objectives, strategies for achieving these objectives over the four-year period, strategic indicators and a strategic resource plan.

Our Council Plan presents Council's objectives across six key result areas as follows:

Key result area		Strategic objective
1	Organisational improvement	Embed organisational excellence into our governance and management processes in order to deliver the best possible outcomes for our residents and ratepayers.
2	Community wellbeing	Assist Towong Shire residents in the attainment of a high level of health and safety, resilience and connectedness to their communities.
3	Asset management	Maintain and improve our Shire's infrastructure to meet agreed levels of service.
4	Land-use planning	Develop a strategic and sustainable long-term land-use direction for the Shire based on an integrated approach to the natural and built environment.
5	Environmental sustainability	Integrate sustainable natural resource management into all of our business activities.
6	Economic and tourism development	Expand long-term employment and economic opportunities whilst continuing to maintain and promote our natural environment and the lifestyle our municipality offers.

## Reporting our performance

Council's performance for the 2015/16 year has been reported against the strategic objectives, strategies and indicators set out in our Council Plan 2013-17.

This report measure Council's progress in achieving its objectives as follows:

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



# Our performance

## 1. Organisational improvement

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Our teams have continued to deliver quality services while making excellent progress to implement Council Plan priorities over the 2015/16 year.

Council has continued the successful delivery of the rates and property shared service with Indigo Shire Council for its third year. Towong is also into its second year of the shared service information technology support service with Alpine Shire Council. Council has also formalised a shared service arrangement for the building control and environmental health services with Indigo Shire Council during the year.

There were additional challenges in preparation for the introduction of the State Government's Fair Go Rates System. The Fair Go Rates System came into force on July 1, 2016, as an election promise by the Victorian Government to limit the amount of rates a Council can levy each year via a rate cap.

The rate cap for 2016/17 was set at forecast CPI of 2.5%, and councils could only increase their rates above 2.5% by applying to the Essential Services Commission for a variation to the rate cap. Council decided to apply for a higher rate cap after determining its Budget, Strategic Resource Plan and Long-Term Financial Plan, which outlined the Council's funding requirements for the next 10 years. In May 2016 Council was advised that it was one of six councils that were successful in its application for a higher rate cap for 2016/17.

Council has implemented an Occupational Health and Safety (OHS) Management System plan which incorporates all items identified in AS4801 (Australian Standards for OHS). Items identified in the audits of swimming pools have also been included in the OHS Management System and the key items from these audits are continuing to be addressed.

Late in the financial year, Council was successful in its application to provide secretariat services to Rural Councils Victoria Incorporated for the next three financial years. This will provide an opportunity to take advantage of learnings from Rural Councils Victoria's sustainability projects from across the state and increase the capability of Council staff to deliver better outcomes for the local community.

Highlights	Challenges
<ul style="list-style-type: none"><li>Continued shared service arrangements for building control, environmental health, rates and property and information technology support services;</li><li>Learnings from working through the Fair Go Rates System higher rate cap application process;</li><li>A successful application to provide secretariat services for Rural Councils Victoria over the next three financial years; and</li><li>Rollout of VOIP across the Council offices for telephone communications.</li></ul>	<ul style="list-style-type: none"><li>Planning for a sustainable future in the current tight fiscal environment.</li></ul>

# Our performance

## 1. Organisational improvement

### Performance update

Strategy and Strategic Indicator		Status	Comments
1.1	<p>Redevelop the Council website:</p> <ul style="list-style-type: none"> <li>• <i>Redeveloped website completed and in operation by Dec 2013</i></li> </ul>	Complete	Completed in 2014/15.
1.2	<p>Commercialise Insight 360:</p> <ul style="list-style-type: none"> <li>• <i>Business plan completed by Dec 2013</i></li> <li>• <i>First commercial customer secured by Sept 2014</i></li> </ul>	No further action required	Project scope revised. No further action required.
1.3	<p>Progressively update all Council collateral with our new brand:</p> <ul style="list-style-type: none"> <li>• <i>All Council collateral updated by December 2015</i></li> </ul>	In progress	<p>Internal forms have been updated with new branding.</p> <p>Signage project to be completed in 2016/17.</p>
1.4	<p>Develop a succession plan for key positions within the organisation:</p> <ul style="list-style-type: none"> <li>• <i>Succession plan developed by December 2015</i></li> </ul>	In progress	Scheduled for completion in early 2017.
1.5	<p>Improve communication with residents and ratepayers across the Shire and implement feedback mechanisms to assess our engagement with them:</p> <ul style="list-style-type: none"> <li>• <i>Targeted satisfaction survey(s) conducted each year and achievement of improved survey results over the life of the Council Plan</i></li> </ul>	Ongoing	<p>Broad range of communication tools used during 2015/16 including:</p> <ul style="list-style-type: none"> <li>• Social media;</li> <li>• Community newspapers, newsletters and radio;</li> <li>• Project and service-specific newsletters and flyers; and</li> <li>• Project specific surveys.</li> </ul>
1.6	<p>Continue to improve our Long Term Financial Plan:</p> <ul style="list-style-type: none"> <li>• <i>Plan reviewed and adopted annually</i></li> </ul>	Ongoing	Updated to reflect current financial environment as part of the 2016/17 Budget.

# Our performance

## 1. Organisational improvement

Strategy and Strategic Indicator		Status	Comments
1.7	<p>Implement business improvements in the areas of Occupational Health and Safety (OHS), risk management, swimming pools and landfills as identified by previous internal audits and engage internal auditors to carry out specific risk-based audits in areas (as determined) upon completion of above:</p> <ul style="list-style-type: none"> <li><i>Improvements implemented in the following areas over the life of the Council Plan: OHS, Risk management, Swimming pools, Landfills.</i></li> </ul>	Ongoing	<p>The OHS Action Plan continues to be implemented.</p> <p>The Swimming Pool Action Plan is being implemented with 92% of actions completed as at June 2016.</p> <p>An audit of the Corryong Landfill was conducted by EPA Victoria. No matters of significance were identified.</p>
1.8	<p>Improve service delivery and reduce costs through process improvement and shared services:</p> <ul style="list-style-type: none"> <li><i>Two Council processes reviewed annually and improvement opportunities implemented</i></li> </ul>	Ongoing	<p>Council established MomentumOne Shared Services Pty Ltd with Alpine Shire Council, continuing Council's approach to increasing efficiencies and reducing costs. Council was also successful securing funding to deliver a shared maternal and child health project with Alpine and Indigo Shire Councils.</p>
1.9	<p>Investigate new/additional funding streams with a view to reducing reliance on rate revenue (in conjunction with other small Councils):</p> <ul style="list-style-type: none"> <li><i>Continued participation in 'Whelan' work and continued lobbying of the State and Federal Governments.</i></li> <li><i>Report(s) presented to Council on progress in this area over the life of the Council Plan.</i></li> </ul>	Ongoing	<p>Council was successful in its application to provide secretariat services to Rural Councils Victoria for the next three financial years.</p>
1.10	<p>Deploy IT infrastructure that enables Council to move to virtualised, thin and cloud based solutions:</p> <ul style="list-style-type: none"> <li><i>Virtualised and thin infrastructure delivered during the life of the Council Plan</i></li> </ul>	In progress	<p>Significant savings have been realised from implementation of VOIP technology (approx \$6,000 per annum).</p> <p>Cloud based child care management software has been purchased to provide for streamlined child care processes in Tallangatta.</p>

# Our performance

## 1. Organisational improvement

Strategy and Strategic Indicator		Status	Comments
1.11	<p>Deploy software that leverages improved IT infrastructure with a particular focus on the areas of shared services, record management and business process workflows:</p> <ul style="list-style-type: none"><li><i>Solutions delivered that drive business productivity during the life of the Council Plan</i></li></ul>	In progress	<p>Council has been successful in securing funds for a Maternal and Child Health project which included shared software.</p> <p>A purchasing workflow tool was piloted. The evaluation recommends that it be reconsidered when Council implements new accounting software.</p>

## Council services

Service area	Description
Councillors, Chief Executive and Executive Team	This area of governance includes the Mayor, Councillors, Chief Executive Officer and Senior Management Group and associated support which cannot be easily attributed to the direct service provision areas.
Executive Services	This service provides Council with operational organisational support to Council, Chief Executive Officer and the Senior Management Group and acts as the main customer interface with the community. The service also assists with delivering on human resource, communication and governance needs of the Council.
Corporate Services	This service provides financial and corporate based services to internal and external customers, including the management of Council's finances, payment of salaries and wages to employees, procurement and contracting of services, raising and collection of rates and charges, managing Council's records and delivering on Council's occupational health and safety responsibilities. This service also maintains reliable and cost effective communications and computing systems, facilities and infrastructure to support Council staff.

# Our performance

## 1. Organisational improvement

### Service performance indicators

Service indicator	Measure	Result
<b>Governance</b>		
Council decisions made at meetings closed to the public	[Number of Council resolutions made at ordinary or special meetings of Council, or at meetings of a special committee consisting only of Councillors, closed to the public / Number of Council resolutions made at ordinary or special meetings of Council or at meetings of a special committee consisting only of Councillors] x100	3.10%
Satisfaction with community consultation and engagement	[Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement]  <i>This result was obtained from the 2016 Community Satisfaction Survey facilitated by the Department of Environment, Land, Water and Planning.</i>	52
Councillor attendance at council meetings	[The sum of the number of Councillors who attended each ordinary and special Council meeting / (Number of ordinary and special Council meetings) × (Number of Councillors elected at the last Council general election)] x100	92.86%
Cost of governance per councillor	[Direct cost of the governance service / Number of Councillors elected at the last Council general election]	\$36,689
Community satisfaction with council decisions	[Community satisfaction rating out of 100 with how Council has performed in making decisions in the interest of the community]  <i>This result was obtained from the 2016 Community Satisfaction Survey facilitated by the Department of Environment, Land, Water and Planning.</i>	51

# Our performance

## 2. Community wellbeing

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The Community wellbeing key result area draws a diverse range of services together to achieve Council's goal for the wellbeing of Towong Shire communities. From emergency management planning, to early childhood services, to pursuing funding for future community infrastructure projects and many more initiatives and services, our teams had a productive year progressing Council Plan priorities throughout 2015/16.

Council has successfully delivered a number of recreational infrastructure projects to enable the community to become more active, more often. The new \$745,000 Wyeboon Multi-Purpose Centre, incorporating male and female change rooms, umpire rooms, accessible public amenities, function space and kitchen for a range of uses, was ready for use at the start of the 2016 football and netball season.

The first stage of the Corryong Swimming Pool upgrade was completed with the introduction of a new filtration system, with further improvements planned to occur in 2016/17. Council was also successful in securing funding of \$62,137 to upgrade six wickets at the Tallangatta Sports Centre.

Library services commenced in June 2016 in Tallangatta's newly constructed Library, Early Years and Community Centre. The new facility incorporates a library, customer service centre, community activity space, meeting rooms, maternal and child health office, kindergarten and childcare facilities. It is a modern building, designed to meet the community's needs now and into the future. With library services commencing, the hours of operation have also been expanded from 15.5 hours per week to 40 hours per week.

The 'Social Connections' joint initiative with the Tallangatta Health Service and the Walwa Bush Nursing Centre increased the resources available to support volunteer programs with \$30,000 of funding from the Department of Health and Human Services. Work will continue to strengthen partnerships with key stakeholders to deliver improved outcomes for residents' health and wellbeing.

Highlights	Challenges
<ul style="list-style-type: none"> <li>• Completed a review to support extended child care services across the Shire;</li> <li>• Corryong Kindergarten upgrade;</li> <li>• A \$100,000 Innovations grant to better support families across the Shire;</li> <li>• Improved National Quality Framework outcomes for Corryong Kindergarten;</li> <li>• Delivery of successful youth event program Seniors Festival event and community movie night in Corryong and Tallangatta; and</li> <li>• Opening of library services in Tallangatta's newly constructed Library, Early Years and Community Centre.</li> </ul>	<ul style="list-style-type: none"> <li>• Recruiting for a number of key positions; and</li> <li>• Unsuccessful Eskdale and Tallangatta netball court funding applications.</li> </ul>

# Our performance

## 2. Community wellbeing

### Performance update

Strategy and Strategic Indicator		Status	Comments
2.1	Develop a Business Plan for the Corryong Arts Space at Davis Cottage <ul style="list-style-type: none"> <li>• <i>Business plan developed by Dec 2013</i></li> </ul>	Complete	Incorporated into the Upper Murray 2030 Vision Plan.
2.2	Support Community responses to natural disasters <ul style="list-style-type: none"> <li>• <i>Resources developed by June 2014</i></li> </ul>	Complete	Completed in 2013/14.
2.3	Successfully deliver the Tallangatta Multi-sport Project <ul style="list-style-type: none"> <li>• <i>Project successfully completed by June 2014</i></li> </ul>	Complete	Completed in 2013/14.
2.4	Successfully deliver the Cudgewa Multi-purpose Centre Project <ul style="list-style-type: none"> <li>• <i>Project successfully completed by June 2014</i></li> </ul>	Complete	Completed in 2013/14.
2.5	Successfully deliver the Walwa Community Recovery Centre Project <ul style="list-style-type: none"> <li>• <i>Project successfully completed by June 2014</i></li> </ul>	Complete	Completed in 2013/14.
2.6	Successfully deliver the Tallangatta Eco-education and Integrated Services Hub Project <ul style="list-style-type: none"> <li>• <i>Project successfully completed by January 2015</i></li> </ul>	In progress	Library services commenced in June 2016 in Tallangatta's newly constructed Library, Early Years and Community Centre.
2.7	Complete the Tallangatta Caravan Park Planning Study and implement the adopted recommendations from the plan <ul style="list-style-type: none"> <li>• <i>Planning Study completed by Sept 2013</i></li> <li>• <i>Adopted recommendations from the Planning Study implemented over the life of the Council Plan</i></li> </ul>	In progress	Planning Study completed. Recommendations have been incorporated into the National Stronger Regions Funded 'Destination Tallangatta' project and will be delivered over the next two years.
2.8	Seek funding for the Corryong Tennis Court project <ul style="list-style-type: none"> <li>• <i>Funding application submitted by Dec 2014</i></li> </ul>	Complete	Completed in 2014/15.

# Our performance

## 2. Community wellbeing

Strategy and Strategic Indicator		Status	Comments
2.9	<p>Conduct a review of public pools with a view to lowering operating costs and increasing safety and participation</p> <ul style="list-style-type: none"> <li>• <i>Review completed and presented to Council by June 2015</i></li> </ul>	In progress	A number of initiatives to lower costs and improve safety were implemented in the 2015/16 season. The major change was the introduction of a labour hire service through MomentumOne Shared Services Pty Ltd, saving Council 28% on annual operating costs.
2.10	<p>Successfully deliver the Magorra Park Multi-purpose Centre Project</p> <ul style="list-style-type: none"> <li>• <i>Project successfully completed by Dec 2015</i></li> </ul>	Complete	Completed in 2014/15.
2.11	<p>Seek funding for the Corryong Aquatic Training Centre Project</p> <ul style="list-style-type: none"> <li>• <i>Funding application submitted by Dec 2014</i></li> </ul>	Complete	<p>Funding of \$200,000 confirmed. Application for further funding was unsuccessful.</p> <p>This project will now proceed with the confirmed funding available.</p>
2.12	<p>Auspice and support the successful delivery of the Mitta Valley 'Our Valley, Our Future'</p> <ul style="list-style-type: none"> <li>• <i>Project successfully completed by Dec 2015</i></li> </ul>	Complete	Final report and acquittal have been submitted to the Gardiner Foundation.
2.13	<p>Auspice and support the successful delivery of the Upper Murray 2030 Vision Plan</p> <ul style="list-style-type: none"> <li>• <i>Project successfully completed by Dec 2014 and commitment by Council to pursue key priority(s) from the Plan</i></li> </ul>	In progress	Final Upper Murray 2030 Vision Plans have been received and will be reviewed by the Steering Group in late 2016 prior to presenting them to Council.
2.14	<p>Continue to pursue extended childcare services across the Shire</p> <ul style="list-style-type: none"> <li>• <i>Extended childcare services delivered during the life of the Council Plan</i></li> </ul>	Ongoing	Final planning well advanced to relocate the Tallangatta Kindergarten and introduce long day care to Tallangatta's new Library, Early Years and Community Centre.



# Our performance

## 2. Community wellbeing

Strategy and Strategic Indicator		Status	Comments
2.15	<p>Continue to implement the key priorities from 'Tallangatta Tomorrow' including residential development</p> <ul style="list-style-type: none"> <li>• <i>Tallangatta Multi-sport Project delivered by June 2014</i></li> <li>• <i>Caravan Park Planning Study implemented by Dec 2014</i></li> <li>• <i>Integrated Community Hub delivered by Jan 2015</i></li> <li>• <i>Adopted recommendations from the Report to Council on Horse Paddocks by June 2015</i></li> </ul>	Ongoing	<p>Refer to strategies 2.3, 2.6 and 2.7 above.</p> <p>Recommendations have been incorporated into the National Stronger Regions Funded 'Destination Tallangatta' project and will be delivered over the next two years.</p>
2.16	<p>Seek funding for the delivery of key priority(s) from the 'Our Bellbridge' project</p> <ul style="list-style-type: none"> <li>• <i>Funding applications submitted for at least one project by Dec 2014</i></li> </ul>	Complete	Works completed in March 2016.
2.17	<p>Develop and implement a youth activities program</p> <ul style="list-style-type: none"> <li>• <i>Program presented to Council by Dec 2013</i></li> <li>• <i>Implementation over the life of the Council Plan</i></li> </ul>	Ongoing	Youth Plan currently being implemented in partnership with local schools, police and health agencies.
2.18	<p>Facilitate an annual Seniors Week activity</p> <ul style="list-style-type: none"> <li>• <i>Annual activity held</i></li> </ul>	Ongoing	Seniors event with Athol Guy held in Wodonga in October 2015.
2.19	<p>Host an annual Disability Day activity</p> <ul style="list-style-type: none"> <li>• <i>Annual activity held</i></li> </ul>	Ongoing	Recruitment undertaken for Access and Inclusion Officer with appointment made in July 2016.
2.20	<p>Continue to refine Council's Emergency Management Plan, including the identification and management of Neighbourhood Safer Places</p> <ul style="list-style-type: none"> <li>• <i>Plan reviewed and adopted annually</i></li> <li>• <i>Annual identification of NSPs (CFA approval process)</i></li> </ul>	Ongoing	An audit was completed by the Victoria State Emergency Service of Towong Shire's Municipal Emergency Management Plan. The Plan was assessed as complying with the guidelines, testament to the large amount of preparatory work that is undertaken in planning for emergencies.

# Our performance

## 2. Community wellbeing

Strategy and Strategic Indicator		Status	Comments
2.21	Actively participate in the Towong Alliance with the three Shire based Health Services <ul style="list-style-type: none"> <li>• <i>Ongoing participation in the Alliance</i></li> </ul>	Ongoing	The joint initiative with the Tallangatta Health Service and the Walwa Bush Nursing Centre to deliver the government funded 'Social Connections' project was finalised in May 2016.
2.22	Continue the delivery of library services including service provision to rural areas <ul style="list-style-type: none"> <li>• <i>Library services delivered to a service level determined by Council</i></li> </ul>	Ongoing	Static libraries in Corryong and Tallangatta continued, with Tallangatta's operating hours expanded from 15.5 hour to 40 hours.  Meetings conducted in the Mitta and Tallangatta Valleys and Walwa to get a better understanding of library options for these communities.

### Council services

Service area	Description
Community services	This service provides family oriented support services including kindergartens, maternal and child health, immunisations and youth services. It also supports Council's commitment to improved access for all residents, delivers an annual Seniors event and is exploring opportunities to support arts and culture throughout the Shire.
Library services	This service provides public library services at two locations with a customer focus that caters for the cultural, educational and recreational needs of residents.
Community facilities	This service identifies opportunities for Council or community groups to access funding to better meet community needs and delivers on key Council funding applications.
Community health and wellbeing	This service actively drives community health initiatives through the Towong Alliance partnership with the health services and the Towong Healthy Communities Plan 2013 - 2017.
Swimming pools	This service provides two outdoor seasonal swimming pools that operate from November to March each year.

# Our performance

## 2. Community wellbeing

### Service performance indicators

Service indicator	Measure	Result
<b>Aquatic facilities</b>		
Health inspections of aquatic facilities	[Number of authorised officer inspections of Council aquatic facilities / Number of Council aquatic facilities]	1
Reportable safety incidents at aquatic facilities	Total number of WorkSafe reportable aquatic facility safety incidents	0
Cost of outdoor aquatic facilities per visit	[Direct cost of outdoor aquatic facilities less income received / Number of visits to outdoor aquatic facilities]	\$9.58
Number of visits to aquatic facilities per head of municipal population	[Number of visits to aquatic facilities / Municipal population]	2.27
<b>Libraries</b>		
Number of times a library resource is borrowed	[Number of library collection item loans / Number of library collection items]	1.82
Proportion of library resources less than 5 years old	[Number of library collection items purchased in the last 5 years / Number of library collection items] x100	33.27%
Cost of library service per visit	[Direct cost of the library service / Number of visits]	\$7.12
Active library members in municipality	[Number of active library members / Municipal population] x100	9.25%
<b>Maternal and child health</b>		
Participation in first MCH home visit	[Number of first MCH home visits / Number of birth notifications received] x100	92.73%
Infant enrolments in the MCH service	[Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received] x100	92.73%
Cost of the MCH service	[Cost of the MCH service / Hours worked by MCH nurses]	\$64.60
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	98.18%

# Our performance

## 2. Community wellbeing

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Service indicator	Measure	Result
Participation in the MCH service by Aboriginal children	<p>[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> <p><i>No children currently registered with the MCH service have identified as having an Aboriginal or Torres Strait Islander background.</i></p>	0%

# Our performance

## 3. Asset management

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Across the 2015/16 financial year Council's asset management team have been focused on delivering a comprehensive preventative maintenance and asset renewal strategy throughout the Shire with the completion of the resealing, major patching and grading programs.

The ongoing implementation of the Stock Grid Policy has seen the removal of fifteen stock grids, fencing of roads, and the replacement of nine stock grids across the Shire achieving the objective of improving service delivery on our unsealed road network.

The Our Bellbridge project resulted in upgrades to recreational facilities and landscaping, which greatly improved the amenity of the foreshore and Roy Williams Park for local users and tourists.

Corryong's centre median gardens in Hanson Street received a welcome revitalisation with additional planning and tree maintenance improving the western entry to the town. Landscaping at both Tallangatta's town entrances was also completed.

A tree management and tree replacement plan have been developed for implementation over the next 10 years. The plan applies to urban streets and prioritises them for planting based on existing canopy cover with a target to increase urban canopy cover to 40% by 2025. Funding through Department Environment Land Water and Planning's Victorian Climate Change Grants will assist with further tree mapping and the development of a climate change resilient species list to guide future tree planning.

Highlights	Challenges
<ul style="list-style-type: none"><li>• Strategic pathways constructed in Corryong and Tallangatta;</li><li>• Bridge works completed at Saxons Road and McHargs Road bridges;</li><li>• Completed Georges Creek Road Stage 3;</li><li>• Town beautification works delivered;</li><li>• Funding obtained for Shelley Walwa Road upgrade; and</li><li>• Funding obtained for the Beating the Heat project.</li></ul>	<ul style="list-style-type: none"><li>• Managing changes in personnel;</li><li>• Vandalism of the Tallangatta swimming pool;</li><li>• Extended backhoe breakdown; and</li><li>• Gravel re-sheeting delayed by prolonged wet weather.</li></ul>

# Our performance

## 3. Asset management

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### Performance update

Strategy and Strategic Indicator		Status	Comments
3.1	Prepare an Asset Management Plan for Recreation <ul style="list-style-type: none"><li>• <i>Asset management plan for Recreation adopted by Council by December 2013</i></li></ul>	In progress	Asset Management Plan for Recreation and Open Spaces developed. Scheduled for completion in 2016/17.
3.2	Prepare an Asset Management Plan for Parks and Gardens (inclusive of trees of significance (e.g. Cudgewa avenue, Tallangatta Triangles, etc)) <ul style="list-style-type: none"><li>• <i>Asset management plan for Parks and Gardens (inclusive of trees of significance) adopted by Council by December 2013</i></li></ul>	In progress	Asset Management Plan for Recreation and Open Spaces developed. Scheduled for completion in 2016/17.  Climate Change Grant (\$10,000) secured to help compile list of climate resilient tree species.  Tree assessments and mapping for tree replacement planning is ongoing.
3.3	Review the method of performing condition assessments (internal vs. external) with a view to bringing it in-house (and implement most appropriate method) <ul style="list-style-type: none"><li>• <i>Review conducted by June 2014</i></li></ul>	Complete	Completed in 2014/15.
3.4	Implement the stock grid policy <ul style="list-style-type: none"><li>• <i>Stock grid policy implemented by Dec 2014</i></li></ul>	In progress	Implementation underway with 25 stock grid owners receiving their legal agreements and fifteen stock grids being removed.
3.5	Deliver the adopted Capital Works program <ul style="list-style-type: none"><li>• <i>Complete 100% of adopted program</i></li></ul>	Complete	The Capital Works program for 2015/16 included projects that would be completed in future years. See detailed explanation in the Financial Summary on page 14.

# Our performance

## 3. Asset management

Strategy and Strategic Indicator		Status	Comments
3.6	<p>Complete condition assessments for road assets and non-road assets (e.g. buildings, playgrounds)</p> <ul style="list-style-type: none"> <li>• <i>Condition assessments for non-road assets completed by December 2013</i></li> <li>• <i>Condition assessments for road assets completed by February 2014</i></li> </ul>	Complete	<p>Annual essential service inspections for Council owned buildings completed.</p> <p>Annual bridge inspections completed.</p>
3.7	<p>Develop a town beautification program for all towns and deliver over the life of the Council Plan</p> <ul style="list-style-type: none"> <li>• <i>Town Beautification Program developed by June 2014 and implemented over the life of the Council Plan</i></li> </ul>	In progress	<p>Works on the Hanson Street, Corryong median strip and roundabout are complete. Works are programmed to renew the service club signs at the entry to Corryong.</p>
3.8	<p>Develop and deliver a footpath replacement and extension program for strategic community links</p> <ul style="list-style-type: none"> <li>• <i>Footpath replacement and extension program developed by September 2014</i></li> </ul>	Complete	Completed in 2014/15.
3.9	<p>Work with VicRoads and other stakeholders to progress the upgrade/sealing of the Benambra-Corryong Road and the Shelley-Walwa Road</p> <ul style="list-style-type: none"> <li>• <i>Funding obtained and/or works commenced by VicRoads by June 2017</i></li> </ul>	Ongoing	<p>Funding secured for the upgrade of the Shelley Walwa Road.</p> <p>The Benambra Corryong Road has been gazetted and will now be maintained by VicRoads.</p>

# Our performance

## 3. Asset management

### Council services

Service area	Description
Engineering services	<p>This service undertakes design, tendering, contract management and supervision of various works within Council's capital works program. This service also conducts asset renewal and maintenance planning for Council's main infrastructure assets in an integrated and prioritised manner in order to optimise their strategic value and service potential. These include:</p> <ul style="list-style-type: none"><li>• Roads, bridges, footpaths;</li><li>• Buildings;</li><li>• Drainage; and</li><li>• Recreation and open spaces.</li></ul>
Depots	<p>This service maintains Council infrastructure, vehicles, plant and equipment to meet functional and safety needs.</p>

### Service performance indicators

Service indicator	Measure	Result
<b>Roads</b>		
Sealed local road requests per 100km of sealed local roads	[Number of sealed local road requests / Kilometres of sealed local roads] x 100	10.48
Sealed local roads maintained adequately	[Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads] x100	100%
Cost of sealed local road reconstruction per square metre	[Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed] <i>No sealed local roads were constructed in 2015/2016.</i>	\$0
Cost of sealed local road resealing per square metre	[Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]	\$4.48
Community satisfaction with sealed local roads	[Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads] <i>This result was obtained from the 2016 Community Satisfaction Survey facilitated by the Department of Environment, Land, Water and Planning.</i>	54



# Our performance

## 4. Land-use planning

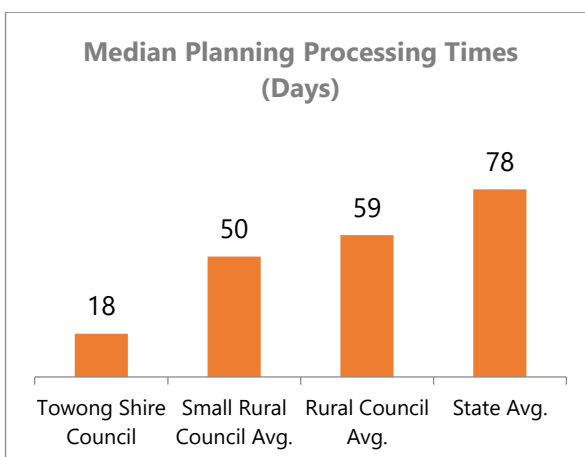
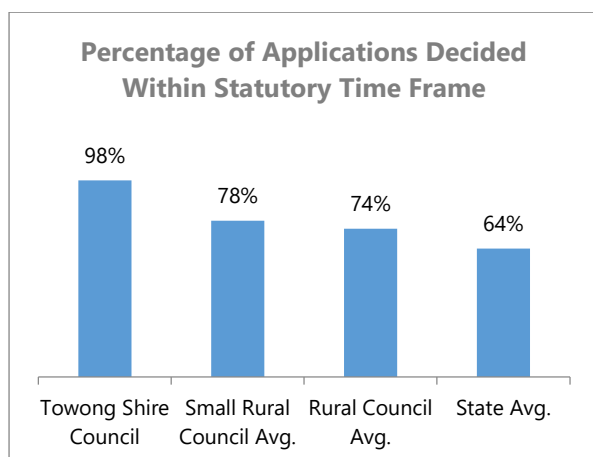
In addition to delivering on our routine statutory planning responsibilities, our planning team has focused on undertaking strategic planning projects to improve the accuracy and operation of the Towong Planning Scheme, improving the management of domestic wastewater across the Shire and the creation of new rural residential development opportunities in key areas within the municipality.

The 2012 *Planning Permit Applications in Open Potable Water Supply Catchment Areas Guidelines* required Council to prepare a Domestic Wastewater Management Plan (DWMP) to guide the management of domestic wastewater in areas which do not have sewerage across the Shire. The Council was able to prepare the DWMP using 'in-house' resources at a low cost. The adoption of the DWMP has enabled progress to be made on other strategic planning items, in particular Towong Planning Scheme Amendment C25.

Towong Planning Scheme Amendment C25 was prepared and placed on exhibition in early 2016. This is one of the largest planning scheme amendments prepared by Council and seeks to provide additional rural residential opportunities at key locations within the municipality, particularly in the Lake Hume area.

Council was involved in its largest ever VCAT planning appeal. The planning application that was the subject of the appeal sought to establish a quarry near Tallangatta. VCAT ultimately upheld Council's decision to refuse the application. In making its decision on the application, VCAT provided clear support for the Local Planning Policy Framework (LPPF) within the Towong Planning Scheme. VCAT also recognised the extensive strategic planning work done by Council in recent years that has underpinned the LPPF.

Despite a heavy strategic planning agenda, the planning department has established itself as having the fastest processing times for planning applications in the State. In addition to providing a fast and efficient planning department, the staff also strive to be as accessible to the community as possible and endeavour to provide consistent, courteous and timely advice for all planning matters.



# Our performance

## 4. Land-use planning

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Highlights	Challenges
<ul style="list-style-type: none"><li>• Council adoption of Domestic Wastewater Management Plan;</li><li>• VCAT decision in relation to the proposed Hardy's Road quarry vindicating Council's original decision and the strategic planning work undertaken by Council;</li><li>• Ministerial approval of Towong Planning Scheme Amendment C34 which improves the accuracy and operation of the Towong Planning Scheme;</li><li>• Preparation and exhibition of Towong Planning Scheme Amendment C25 (Rural Living Zone amendment);</li><li>• Commencement of Upper Murray Flood Study which will improve flood mapping in the Upper Murray;</li><li>• Progress on Section 12b whole of scheme review; and</li><li>• One of the lowest cost planning departments in the State.</li></ul>	<ul style="list-style-type: none"><li>• Withdrawal of DELWP 'Flying Squad' assistance making progress on Section 12b whole of Scheme review and Local Planning Policy Review challenging;</li><li>• Large VCAT planning case requiring the allocation of significant resources; and</li><li>• Increased planning enforcement activity.</li></ul>

# Our performance

## 4. Land-use planning

### Performance update

Strategy and Strategic Indicator		Status	Comments
4.1	<p>Improve our communication in relation to town and land use planning</p> <ul style="list-style-type: none"> <li>• <i>Planning 'Information Pack' prepared and available from June 2014</i></li> <li>• <i>Relevant information available from the Visitor Information Centres by Dec 2014</i></li> <li>• <i>Meetings with real estate agents conducted annually</i></li> </ul>	In progress	The planning team is in regular contact with agents and other industry stakeholders. Pre-development face-to-face or phone meetings are held with the vast majority of applicants.
4.2	<p>Develop and implement a Domestic Wastewater Management Plan</p> <ul style="list-style-type: none"> <li>• <i>Plan adopted by Council by June 2014 and implemented over the life of the Council Plan</i></li> </ul>	Ongoing	<p>Domestic Wastewater Management Plan (DWMP) completed and adopted at November 2015 Council meeting.</p> <p>Implementation to commence 2016-17 financial year.</p>
4.3	<p>Finalise the Rural Living Zone Planning Scheme Amendment</p> <ul style="list-style-type: none"> <li>• <i>Amendment finalised by Dec 2014</i></li> </ul>	In progress	<p>Council requested for a Planning Panel to resolve outstanding submissions.</p> <p>Panel hearing to take place in September 2016.</p>
4.4	<p>Complete BMO Schedule Project (including the refining of hazard mapping where necessary)</p> <ul style="list-style-type: none"> <li>• <i>Project completed and amendment finalised by June 2015</i></li> </ul>	Complete	Completed in 2013/14.
4.5	<p>Complete a section 12B (<i>Planning and Environment Act</i>) review of Towong Planning Scheme</p> <ul style="list-style-type: none"> <li>• <i>Review completed by June 2015</i></li> </ul>	In progress	Consultation draft developed.
4.6	<p>Revise Local Planning Policies with a view to protecting strategically important land for food production</p> <ul style="list-style-type: none"> <li>• <i>Policies developed and adopted by Dec 2015</i></li> </ul>	Not commenced	This initiative requires the above review of the Towong Planning Scheme to be completed. Now scheduled to commence in 2016-17.

# Our performance

## 4. Land-use planning

Strategy and Strategic Indicator		Status	Comments
4.7	Implement key MSS recommendations including individual town structure plans via Planning Scheme Amendments <ul style="list-style-type: none"> <li>• <i>Amendments finalised by Dec 2016</i></li> </ul>	In progress	Amendment documentation under development.
4.8	Acquire updated Aerial photography for rural areas and townships <ul style="list-style-type: none"> <li>• <i>Improved aerial photography acquired over the life of the Council Plan</i></li> </ul>	Complete	Completed in 2013/14.
4.9	Lobby for improved Hazard mapping (fire and flood) NECMA/State Govt <ul style="list-style-type: none"> <li>• <i>Improved mapping acquired over the life of the Council Plan</i></li> </ul>	In progress	Project underway.

## Council services

Service area	Description
Planning	This statutory planning service processes all planning applications, provides advice and makes decisions about development proposals which require a planning permit, as well as representing Council at the Victorian Civil and Administrative Tribunal where necessary. It administers the Towong Planning Scheme as well as preparing major policy documents shaping the future of the Shire. It also prepares amendments to the Towong Planning Scheme and carries out research on demographic, urban development, economic and social issues affecting Council.
Building services	This service provides statutory building services to the Council community including processing of building permits, fire safety inspections, audits of swimming pool barriers and investigations of complaints and illegal works.
Environmental health	This service protects the community's health and well-being by coordinating food safety support programs, <i>Tobacco Act</i> activities and smoke free dining and gaming venue issues. The service also works to rectify any public health concerns relating to unreasonable noise emissions, housing standards and pest controls.

# Our performance

## 4. Land-use planning

### Service performance indicators

Service indicator	Measure	Result
<b>Food safety</b>		
Time taken to action food complaints	[Number of days between receipt and first response action for all food complaints / Number of food complaints] <i>There were no food complaints received in 2015/2016.</i>	0
Percentage of required food safety assessments undertaken	[Number of registered class 1 food premises and class 2 food premises that receive an annual food safety assessment in accordance with the <i>Food Act 1984</i> / Number of registered class 1 food premises and class 2 food premises that require an annual food safety assessment in accordance with the <i>Food Act 1984</i> ] x100	100%
Cost of food safety service per premises	[Direct cost of the food safety service / Number of food premises registered or notified in accordance with the <i>Food Act 1984</i> ]	\$940.02
Percentage of critical and major non-compliance outcome notifications followed up by council	[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%
<b>Statutory planning</b>		
Time taken to decide planning applications	[The median number of days between receipt of a planning application and a decision on the application]	18 days
Planning applications decided within 60 days	[Number of planning application decisions made within 60 days / Number of planning application decisions made] x100	97.96%
Cost of statutory planning service per planning application	[Direct cost of the statutory planning service / Number of planning applications received]	\$3003.25
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%

# Our performance

## 5. Environmental sustainability

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Our teams have continued to deliver quality services while making excellent progress to implement Council Plan priorities over the 2015/16 year.

A new landfill cell was constructed at Corryong to Environment Protection Authority Victoria (EPA)'s standards. An EPA inspection confirmed that the site was adequately designed and constructed to take municipal waste for the next two years. Upgrades were completed at both the Tallangatta and Corryong transfer stations with the assistance of funding from Sustainability Victoria, including the installation of additional storage, access roads and hardstand areas to improve the separation of recyclables.

The in-house waste and recycling kerbside collection services functioned well with significant savings observed throughout the 2015/16 year of operation. Dashboard cameras on the trucks were trialled successfully and provided useful information to enable faster responses to customer requests. A further two cameras have been purchased and will be installed in the remaining trucks in the near future

Streetlights in the Shire's urban areas have been upgraded to LEDs as an energy-saving initiative. This project is anticipated to achieve annual savings of approximately \$43,000 at current electricity prices with an estimated payback of seven years. The streetlight conversion will also eliminate the equivalent of more than 100,000 tonnes of CO<sub>2</sub> per year.

The new roadside weed and pest program funded by the Victorian Government enabled a significant level of control over the extent and severity of blackberry infestations along all local council roads. In some sections, spraying was carried out in conjunction with Parks Victoria's 'Good Neighbour Program' in order to maximise the effectiveness of the blackberry control in that area. Roadside weed mapping was also conducted this year with the results indicating a 75% reduction in the roadside blackberry population since the original program started in 2006. Funding has been confirmed for the coming year to continue this work.

A climate change risk assessment framework has been developed for all areas of operations through the VAS Partnership Climate Change Adaptation Action Planning project. The framework will enable climate change mitigation measures to be considered for implementation into the future, reducing the risk to Council's operation.

Highlights	Challenges
<ul style="list-style-type: none"><li>• Upgrades to Tallangatta and Corryong transfer stations;</li><li>• Construction of landfill and leachate dam to EPA standards;</li><li>• Street tree mapping and assessment;</li><li>• Upgrade of streetlights to LEDs; and</li><li>• Obtaining funding for solar upgrades.</li></ul>	<ul style="list-style-type: none"><li>• Staffing changes.</li></ul>

# Our performance

## 5. Environmental sustainability

### Performance update

Strategy and Strategic Indicator		Status	Comments
5.1	Finalise the Bushfire Camera Network project <ul style="list-style-type: none"> <li>• <i>Project completed by Dec 2013</i></li> </ul>	Complete	Completed in 2013/14.
5.2	Explore solutions for Bellbridge water and waste water expansion (in conjunction with NEW) <ul style="list-style-type: none"> <li>• <i>Options paper prepared by June 2014</i></li> </ul>	In progress	A review of land zoning has been undertaken to inform North East Water's planning options.
5.3	Lobby for the expansion/improvement of the NE Water Tallangatta wastewater plant to accommodate future development in Tallangatta and the elimination of odour emanating from the plant <ul style="list-style-type: none"> <li>• <i>Commitment from North East Water to have a system in place that can accommodate future development in Tallangatta over the life of the Council Plan</i></li> </ul>	In progress	The date for completing this strategy has been revised to June 2017.
5.4	Implement the adopted outcomes from the Waste Management Services review and refine our Waste Management services over the life of the Council Plan <ul style="list-style-type: none"> <li>• <i>Implement adopted outcomes by Dec 2013</i></li> <li>• <i>Satisfaction Survey conducted Dec 2014</i></li> <li>• <i>Achievement of a sustainable financial outcome for the Council</i></li> <li>• <i>Increased employment within Shire</i></li> </ul>	Ongoing	Successfully trialled dash camera on a waste service truck to audit number of bins at commercial properties.
5.5	Explore waste to energy options suitable for a small municipality <ul style="list-style-type: none"> <li>• <i>Report prepared for Council by December 2015</i></li> </ul>	In progress	Funding avenues being reviewed for feasibility studies.
5.6	Consider the options available for the Bethanga Wastewater project and deliver a solution (if feasibility can be established) <ul style="list-style-type: none"> <li>• <i>Direction to be taken determined and agreed by Dec 2014</i></li> <li>• <i>Agreed approach (if any) implemented by December 2016</i></li> </ul>	In progress	Further direction established with North East Water.

# Our performance

## 5. Environmental sustainability

Strategy and Strategic Indicator		Status	Comments
5.7	<p>Provide proactive support to DEPI Wild Dog Program and lobby for increased resourcing in the Towong Shire</p> <ul style="list-style-type: none"> <li>• <i>Agri-IQ developed and implemented by June 2016</i></li> </ul>	Not commenced	Scheduled for review in 2016/17.
5.8	<p>Continue to implement noxious weed controls along roadsides and encourage adjoining landowners (including DSE and Parks Vic) to also implement controls on their property</p> <ul style="list-style-type: none"> <li>• <i>Reduction in noxious weeds (as identified through mapping)</i></li> <li>• <i>Development and implementation of a Roadside Management Plan</i></li> </ul>	Ongoing	<p>Roadside blackberry spraying program has been completed for the 2015/16 period.</p> <p>Roadside weed mapping is completed.</p>
5.9	<p>Continue to maintain and monitor operational and closed landfills within EPA guidelines</p> <ul style="list-style-type: none"> <li>• <i>All EPA requirements met over the life of the Council Plan</i></li> </ul>	Ongoing	<p>Works at Corryong Landfill completed in accordance with EPA requirements. Closed landfills are being monitored in accordance with guidelines.</p>
5.10	<p>Support waste minimisation and management initiatives in the North East Regional Waste Implementation Plan and Regional Waste Minimisation Strategy</p> <ul style="list-style-type: none"> <li>• <i>Reduction in waste being deposited in landfills (local and external)</i></li> </ul>	Ongoing	<p>Educational initiatives implemented during the introduction of the in-house kerbside service delivery model. The Sustainability Victoria funded upgrades to the Corryong and Tallangatta transfer stations will improve the separation of recyclables.</p>

## Council services

Service area	Description
Waste services	This service provides waste collection including kerbside collections of rubbish and recycling from households and commercial properties, special hard waste, green waste collections, transfer station and land fill management.
Emergency management	This service provides Council's emergency management planning function.



# Our performance

## 5. Environmental sustainability

Service area	Description
Animal control	This service provides animal management services including a cat trapping program, dog / cat collection service, lost and found notification service, pound service, registration / administration service and an after-hours emergency service. It also provides education, regulation and enforcement of the Local Law and relevant State legislation.
Community facilities	This service manages and maintains Council owned community facilities, parks and gardens and public toilets.

### Service performance indicators

Service indicator	Measure	Result
<b>Animal management</b>		
Time taken to action animal management requests	[Number of days between receipt and first response action for all animal management requests / Number of animal management requests]	3.64 days
Animals reclaimed from council	[Number of animals reclaimed / Number of animals collected] x100	50%
Cost of animal management service per registered animal	[Direct cost of the animal management service / Number of registered animals]	\$57.51
<b>Waste collection</b>		
Kerbside bin collection requests per 1000 households	[Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households] x1000	90.05
Kerbside collection bins missed per 10,000 households	[Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts] x10,000	1.97
Cost of kerbside garbage bin collection service per year	[Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]	\$135.69
Cost of kerbside recyclables collection service per year	[Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins]	\$71.51
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	32.32%

# Our performance

## 6. Economic and tourism development

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The Council Plan 2013-17 set out to deliver on Towong Shire's potential from an investment, business and tourism perspective. In line with these, several identified projects have been completed this year and others are nearing completion.

In late 2015, the Federal Government announced funding of \$2.6m through the National Stronger Regions Fund for the 'Destination Tallangatta' project. Works to the Tallangatta Holiday Park, guided by the Tallangatta Holiday Park Planning Study, as well as works to the Tallangatta foreshore, and shopping precinct, will provide a high quality experience for visitors and residents.

The Upper Murray 2030 Vision Plan project is nearing completion, with five priority projects identified. A funding application to deliver one of the key projects, the Great River Road Touring Route, is currently under consideration by the Federal Government.

Funding of \$532,399 was announced for the Corryong Airport Redevelopment with works to be undertaken during 2016/17. A new leasable hangar area, runway lighting, a shared terminal building, as well as offices, hardstands and mixing sheds, will be constructed as part of the project.

In the Mitta Valley, the Our Valley, Our Future project moved into a sustainability phase, following a successful partnership between Council, the Gardiner Foundation and the community.

Highlights	Challenges
<ul style="list-style-type: none"><li>• Corryong Airport Precinct funded;</li><li>• Our Valley, Our Future project transitioned into sustainability phase;</li><li>• Secured \$2.6 million in funding from Australian Government's National Stronger Regions Fund for the 'Destination Tallangatta' project; and,</li><li>• Our Bellbridge project works completed.</li></ul>	<ul style="list-style-type: none"><li>• Staffing changes at Visitor Information Centre resulted in rostering challenges; and,</li><li>• Finalisation of the Upper Murray 2030 Vision Plan was delayed to enable better consultation outcomes to be achieved.</li></ul>

# Our performance

## 6. Economic and tourism development

### Performance update

Strategy and Strategic Indicator		Status	Comments
6.1	<p>Explore options in relation to the Corryong Airport upgrade (including lighting)</p> <ul style="list-style-type: none"> <li>• <i>Feasibility of upgrade determined by Dec 2013</i></li> <li>• <i>Project funding pursued (if project is feasible) by June 2014</i></li> </ul>	Complete	Funding of \$532,399 secured for the Corryong Airport upgrade with works scheduled to commence in October 2016.
6.2	<p>Auspice and support the successful delivery of the Alpine Valleys Dairy Pathways Project</p> <ul style="list-style-type: none"> <li>• <i>Project successfully completed</i></li> </ul>	Complete	Completed in 2013/14.
6.3	<p>Develop, launch and maintain the Corryong and Tallangatta Tourism Websites</p> <ul style="list-style-type: none"> <li>• <i>Websites developed and launched by December 2013</i></li> </ul>	In progress	Upper Murray site has been developed with the official launch expected in late 2016.
6.4	<p>Review Council's role in the delivery of Tallangatta Visitor Information Services and implement the adopted outcomes from the review</p> <ul style="list-style-type: none"> <li>• <i>Review conducted by Dec 2013 and recommendations adopted by Council by March 2014</i></li> <li>• <i>Adopted recommendations implemented by Dec 2014</i></li> </ul>	Complete	Hub Cottage Industries now delivering Visitor Services in Tallangatta. Static display space requires updating.
6.5	<p>Seek funding to seal the Colac Colac Walking Track</p> <ul style="list-style-type: none"> <li>• <i>Application for funding submitted by June 2014</i></li> </ul>	Complete	Completed in 2013/14.
6.6	<p>Develop a Corryong Saleyards strategy</p> <ul style="list-style-type: none"> <li>• <i>Strategy developed by June 2014 and adopted recommendations implemented by June 2015</i></li> </ul>	Complete	Completed in 2014/15.
6.7	<p>Continue to work towards the availability of Industrial land in Corryong and Tallangatta</p> <ul style="list-style-type: none"> <li>• <i>Report to Council on Industrial Land supply options by June 2016</i></li> </ul>	In progress	Two parcels of land were investigated for the potential hosting of an industrial estate. Based on current constraints, these parcels were not available/appropriate.

# Our performance

## 6. Economic and tourism development

Strategy and Strategic Indicator		Status	Comments
6.8	Lobby the Federal Government in order to maximise the NBN outcomes for our communities. <ul style="list-style-type: none"> <li>• <i>Improved high speed Broadband delivery</i></li> </ul>	Ongoing	Council continues to raise this with Fed Gov representatives and NBN at every opportunity.
6.9	Lobby Federal Government and private telcos for improved mobile coverage <ul style="list-style-type: none"> <li>• <i>Improved mobile coverage achieved over the life of the Council Plan</i></li> </ul>	Ongoing	Information on priorities for improved coverage in Towong Shire provided to Telstra and the Fed Gov.
6.10	Support the Agribusiness sector in Towong Shire to achieve profitability and sustainability <ul style="list-style-type: none"> <li>• <i>Report to Council on strategy and possible actions to support the sector by June 2014 and implement adopted recommendations over the life of the Council Plan</i></li> </ul>	In progress	Strategy drafted and scheduled to be finalised in 2015/16.
6.11	Support the Retail, Commercial and Industrial sectors in Towong Shire to achieve profitability and sustainability <ul style="list-style-type: none"> <li>• <i>Report to Council on strategy and possible actions to support the sectors by Dec 2014 and implement adopted recommendations over the life of the Council Plan</i></li> </ul>	In progress	Strategy drafted and scheduled to be finalised in 2015/16.
6.12	Promote the Omeo Highway and the Benambra-Corryong Road as touring links to the Gippsland region <ul style="list-style-type: none"> <li>• <i>Promotional campaign developed by Dec 2014 and implemented over the life of the Council Plan</i></li> </ul>	Ongoing	Promotional material has been distributed to Visitor Information Centres.
6.13	Develop a strategic plan to manage the outcomes for Corryong with the possible establishment of the molybdenum mine <ul style="list-style-type: none"> <li>• <i>Strategic plan developed by Dec 2014 and recommendations implemented if the mine proceeds</i></li> </ul>	Ongoing	Dart Mining have decided to focus on another assets and shelve Unicorn until molybdenum prices rise or demand increases.
6.14	Encourage (and where possible deliver) sustainable design for community buildings and residential estate development. <ul style="list-style-type: none"> <li>• <i>Best practice environmental design principles used in the delivery of the Integrated Community Hub</i></li> </ul>	Ongoing	Best practice design principles have been used for the Tallangatta Integrated Community Centre.

# Our performance

## 6. Economic and tourism development

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### Council services

Service area	Description
Economic development	The economic development service assists the organisation to facilitate an environment that is conducive to a sustainable and growing local business sector and provides opportunities for local residents to improve their skill levels and access employment.
Tourism	This service provides a Visitor Information Centre in Corryong to provide advice to visitors to the Upper Murray.

# Governance, management and other information

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## Governance

### Governance

Towong Shire Council was established by an Order of the Governor in Council on 24 October 1996 and is a Body Corporate. Council's main office is located at 32 Towong Street, Tallangatta.

The purpose of Council is to:

- Provide for the peace, order and good government of its municipal district;
- Facilitate and encourage appropriate development of its municipal district in the best interests of the community;
- Provide equitable and appropriate services and facilities for the community and to ensure that those services and facilities are managed efficiently and effectively; and
- Manage, improve and develop the resources of its district efficiently and effectively.

Council recognises that effective governance is the key to ensuring that Council meets the community's priorities. The community has opportunity to provide formal input into Council's decision making processes through specific community engagement sessions, the 'Open Forum' held in conjunction with Council's monthly meeting, as well as the formal submission process involved with many of Council's key plans.

Many formal decisions are made at Council Meetings, however some of Council's powers have been delegated to Council staff. These delegations are exercised in accordance with Council policies.

### Council meetings

Council's ordinary meetings are held monthly (except January where there is no meeting). These meetings are conducted in accordance with Council's Meeting Procedures Local Law.

For 2015/16 Council held the following meetings:

- Eleven (11) Ordinary Council Meetings; and
- Three (3) Special Council Meetings.

### Special committees

Council has two Section 86 Special Committees and their purposes are as follows:

- Riverview Committee of Management – to provide and manage self contained accommodation at Riverview Units, Walwa; and
- Guys Forest Recreation Reserve Committee of Management– to manage the Guys Forest Recreation Reserve.

### Code of conduct

The *Local Government Act 1989* requires councils to develop and approve a Councillor Code of Conduct within 12 months after each general election. On 1 October 2013 Council adopted a Councillor Code of Conduct.

# Governance, management and other information

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The Councillor Code of Conduct is designed to:

- Provide good governance for the Towong municipality;
- Create common understandings of the different roles of the Mayor, Councillors, Chief Executive Officer and the administration;
- Identify key relationships and how they can contribute to good governance; and
- Support good governance by creating a framework in which legitimate differences in opinions, beliefs and values can be discussed constructively and resolved in the interests of the Towong municipality.

In addition to setting out good governance protocols, the Councillor Code of Conduct also outlines:

- Councillor behaviour principles;
- Conflict of interest procedures;
- Dispute resolution procedures;
- Decisions during caretaker periods; and
- Appropriate use of Council resources.

Council adopted an updated Councillor Code of Conduct on 5 July 2016.

## 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. Council officers, as delegated and authorised representatives of Council, are also required 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 procedures 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 Meetings.

There were four (4) conflicts of interest declared at Council Meetings during 2015/16.

## Councillor allowances and expenses

Mayors and councillors are entitled to receive an allowance while performing their duty as an elected official. The Victorian Government sets the upper and lower levels for allowances paid to councillors. Councils are required to review allowance levels by 30 June in the year following a general election and the allowance level determined remains in effect for the full term of the council.

Councils are divided into three categories based on the income and population of each Council. Towong Shire Council is a category 1 council.

The Minister for Local Government has approved an adjustment factor increase of 2.5% to the below Mayoral and Councillor allowances, effective 1 December 2015, under section 73B(4) of the *Local Government Act 1989* bringing allowances for category 1 councils to:

Mayor:	\$57,812
Councillors:	\$19,350

An amount equivalent of the superannuation guarantee contribution is payable in addition to the above set allowance. The superannuation guarantee contribution percentage was 9.5% for 2015/16.

# Governance, management and other information

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## Details of expenses including reimbursements

Expense item	Cr. Peter Joyce	Cr. Mary Fraser	Cr. David Wortmann	Cr. Debi Gadd	Cr. Aaron Scales
	\$	\$	\$	\$	\$
Conferences/training	-	527	900	290	28
Accommodation	335	1,280	1,537	769	355
Car mileage/travel allowance	3,713	2,682	-	2,835	304
Motor vehicle costs – Council owned vehicle	-	-	2,468	-	1,434
Meeting allowance	560	720	2,680	920	1,640
Internet/phone/mobile	3,235	316	2,397	2,435	757
<b>Total expenses</b>	<b>\$7,843</b>	<b>\$5,526</b>	<b>\$9,982</b>	<b>\$7,249</b>	<b>\$4,517</b>



# Governance, management and other information

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## Management

### Audit Committee

Council's Audit Committee was established by resolution of Council on 19 January 1998. The Committee is an independent advisory committee to Council to assist in the effective conduct of its responsibilities for financial reporting, management of risk, maintaining a reliable system of internal controls and facilitating the organisation's ethical development.

The Audit Committee meets quarterly to discuss Council's budget, finance reports, Council Plan priorities, external and internal audits, OHS, tendering, performance reporting, finance systems, legal compliance actions, risk management and policy development.

Policies due for Council approval each month are also reviewed by Audit Committee members and their recommendations presented to Council.

During 2015/16, the Audit Committee considered:

#### Financial management and performance reporting

- Annual financial statements and the external Auditor's reports;
- Budget development;
- Financial and Council Plan reporting;
- Local Government Performance Reporting framework; and
- Rate capping and variation framework and submission.

#### Risk management

- Risk assessments for major projects;
- Risk management strategy and action plan;
- OHS Safety Management System and action plan;
- Swimming pool audits;
- Municipal Emergency Management Planning (MEMP) and audit;
- Investments in associates; and
- Environmental Protection Agency inspection report (Corryong landfill).

#### Business continuity

- Human resource management; and
- Business Continuity Plan.

#### Compliance

- Systems and procedures surrounding legal matters.

#### Reporting responsibilities

- Findings of relevant Performance Audits undertaken by the Victorian Auditor-General;
- Reports from the Victorian Ombudsman; and
- Tenders awarded.

The Committee is comprised of the Mayor and two or more independent external members. The external independent members of the Audit Committee are appointed for a maximum four year term.

# Governance, management and other information

The following independent members served on Council's Audit Committee during 2015/16:

<b>Ms Narelle Klein</b> Current Chair	Narelle was appointed to the Audit Committee in March 2014. A Chartered Accountant, Narelle is the Financial Reporting and Audit Liaison Manager at the Australian Taxation Office and a member of the Tallangatta Health Service Board of Management. She has substantial experience in financial, management and taxation accounting, external audit processes, corporate and strategic planning, corporate governance and risk management. Narelle resides on a small rural property near Bethanga with her family.
<b>Ms Kerrie Clarke</b> Current Member	Kerrie was appointed to the Audit Committee in March 2015. Kerrie is a Certified Practicing Accountant and is the Chief Finance Officer at Upper Murray Health and Community Services in Corryong, a position she has held for over 10 years. She holds a Bachelor of Business (Accounting / Finance), is involved in the Corryong SES and resides on 6 acres at Cudgewa with her family.
<b>Mr Robert Lees</b> Current Member	Robert was appointed to the Audit Committee in March 2015. He is currently the Senior Procurement Officer for Albury Wodonga Health after a varied local and international career in commercial development, commodity trading, procurement and operations management. Robert has significant experience in corporate governance, procurement, strategic planning, lean manufacture, and general management. He has positions on the boards of Hume Employment Services Limited, Belmere Pty Ltd and Tallangatta Health Service and is also a member of the Rotary Club of Bellbridge Lake Hume. Robert has lived in the Shire for most of his life and currently lives in Bellbridge.

## External audit

Council is externally audited by the Victorian Auditor-General. For the 2015/16 year the annual external audit of Council's Financial Statements and Performance Statement was conducted by the Victorian Auditor-General's representative, Johnsons MME. The external auditors engage with Council's Audit Committee to present their independent audit report. The external audit management letter and responses are also provided to the Audit Committee.

## Risk management

Towong Shire Council is committed to taking a best practice approach to managing risk. We recognise that risks are inherent in all our functions and understand that all systems and processes exhibit variability, impacting on predictability and performance.

Managing risk is a conscious decision to improve Council's systems and processes - not to finger point when things go wrong.

The objectives of our Risk Management Policy are to:

- Ensure we appropriately deal with risk;
- Safeguard our assets: people, financial and property;
- Create an environment where all our employees will assume responsibility for managing risk;

## **Governance, management and other information**

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- Preserve our ability to deliver policy and performance objectives in a timely, efficient and effective manner; and
- Implement transparent and responsible risk management processes, which align with accepted best practice.

### **Best Value**

Council applies the principles of Best Value in accordance with the legislative requirements. Through its commitment to providing best value to its communities Council takes a proactive and systematic approach to keeping costs as low as possible while striving to deliver services to the standard expected by the community.

Council has been recognised as a leader in procurement and process efficiency in the local government sector. Council is also recognised for its innovative 'Shared Services' arrangements which have resulted in improved service delivery and reduced costs through collaboration with neighbouring Councils. Shared services have been established for the following services:

- Building control;
- Environmental health;
- Rates and property;
- Information Technology support; and
- Immunisations.

# Governance, management and other information

## Governance and management checklist

Governance and Management Items	Assessment	
<p><b>1 Community engagement policy</b></p> <p>(policy outlining council's commitment to engaging with the community on matters of public interest)</p>	<p>Policy</p> <p>Date of operation of current policy: 1 December 2009</p> <p>Draft updated policy has been prepared though not formally adopted.</p>	Yes
<p><b>2 Community engagement guidelines</b></p> <p>(guidelines to assist staff to determine when and how to engage with the community)</p>	<p>Guidelines</p> <p>Date of operation of guidelines: 1 December 2009</p> <p>Draft updated guidelines have been prepared though not formally adopted.</p>	Yes
<p><b>3 Strategic Resource Plan</b></p> <p>(plan under section 126 of the Act outlining the financial and non-financial resources required for at least the next 4 financial years)</p>	<p>Adopted in accordance with section 126 of the Act</p> <p>Date of adoption: 7 June 2016</p>	Yes
<p><b>4 Annual budget</b></p> <p>(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)</p>	<p>Adopted in accordance with section 130 of the Act.</p> <p>Date of adoption: 2 August 2016</p> <p>(The Minister extended the date from 30 June 2016 to 3 August 2016 for the adoption of Council's 2016/17 Budget).</p>	Yes
<p><b>5 Asset management plans</b></p> <p>(plans that set out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)</p>	<p>Current plans in operation</p> <p>Date of operation of current plans: Roads – 6 August 2012 Drainage – Draft Buildings and structures - Draft</p>	Yes
<p><b>6 Rating strategy</b></p> <p>(strategy setting out the rating structure of Council to levy rates and charges)</p>	<p>Current strategy in operation</p> <p>Date of operation of current strategy: 2 August 2016</p>	Yes
<p><b>7 Risk policy</b></p> <p>(policy outlining Council's commitment and approach to minimising the risks to Council's operations)</p>	<p>Current policy in operation</p> <p>Date of operation of current policy: 3 May 2016</p>	Yes
<p><b>8 Fraud policy</b></p> <p>(policy outlining council's commitment and approach to minimising the risk of fraud)</p>	<p>Current policy in operation</p> <p>Date of operation of current policy: 1 December 2015</p>	Yes

## Governance, management and other information

<p><b>9 Municipal emergency management plan</b> (plan under section 20 of the <i>Emergency Management Act 1986</i> for emergency prevention, response and recovery)</p>	<p>Prepared and maintained in accordance with section 20 of the <i>Emergency Management Act 1986</i>  Date of preparation: 4 August 2015</p>	<p>Yes</p>
<p><b>10 Procurement policy</b> (policy under section 186A of the <i>Local Government Act 1989</i> outlining the matters, practices and procedures that will apply to all purchases of goods, services and works)</p>	<p>Prepared and approved in accordance with section 186A of the <i>Local Government Act 1989</i>  Date of approval: 3 May 2016</p>	<p>Yes</p>
<p><b>11 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>Current plan in operation  Date of preparation: 1 March 2014</p>	<p>Yes</p>
<p><b>12 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>Current plan in operation  Date of preparation: 1 March 2014</p>	<p>Yes</p>
<p><b>13 Risk management framework</b> (framework outlining council's approach to managing risks to the Council's operations)</p>	<p>Current framework in operation  Date of operation of current framework: 1 July 2015</p>	<p>Yes</p>
<p><b>14 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>Committee established in accordance with section 139 of the Act  Date of establishment: 18 December 1996</p>	<p>Yes</p>
<p><b>15 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>Internal auditor engaged  Reason why no auditor engaged:  Council has completed a strategic risk assessment and subsequently engaged relevant technical experts to conduct audits of its high risk exposures. At this point in time it has not been considered necessary to engage an independent accounting professional.</p>	<p>No</p>
<p><b>16 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>Current framework in operation  Date of operation of current framework: 1 July 2015</p>	<p>Yes</p>

## Governance, management and other information

<p><b>17 Council Plan reporting</b></p> <p>(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>Current report</p> <p>Date of current report: 2 February 2016</p>	<p>Yes</p>
<p><b>18 Financial reporting</b></p> <p>(quarterly statements to Council under section 138 of the Act comparing budgeted revenue and expenditure with actual revenue and expenditure)</p>	<p>Statements presented to council in accordance with section 138(1) of the Act</p> <p>Date statements presented: 7 July 2015, 6 October 2015, 2 February 2016, 3 May 2016</p>	<p>Yes</p>
<p><b>19 Risk reporting</b></p> <p>(six-monthly reports of strategic risks to council's operations, their likelihood and consequences of occurring and risk minimisation strategies)</p>	<p>Reports prepared and presented</p> <p>Date of reports: 6 October 2015, 7 June 2016</p>	<p>Yes</p>
<p><b>20 Performance reporting</b></p> <p>(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)</p>	<p>Reports prepared and presented</p> <p>Date of reports: 20 October 2015, 7 June 2016</p>	<p>Yes</p>
<p><b>21 Annual report</b></p> <p>(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)</p>	<p>Considered at a meeting of council in accordance with section 134 of the Act</p> <p>Date statements presented: 20 October 2015</p>	<p>Yes</p>
<p><b>22 Councillor Code of Conduct</b></p> <p>(Code under section 76C of the Act setting out the conduct principles and the dispute resolution processes to be followed by Councillors)</p>	<p>Reviewed in accordance with section 76C of the Act</p> <p>Date reviewed: 1 July 2016</p>	<p>Yes</p>
<p><b>23 Delegations</b></p> <p>(a document setting out the powers, duties and functions of council and the Chief Executive Officer that have been delegated to members of staff)</p>	<p>Reviewed in accordance with section 98(6) of the Act</p> <p>Date of review: 1 October 2013</p>	<p>Yes</p>
<p><b>24 Meeting procedures</b></p> <p>(a local law governing the conduct of meetings of council and special committees)</p>	<p>Meeting procedures local law made in accordance with section 91(1) of the Act</p> <p>Date local law made: 1 October 2013</p>	<p>Yes</p>

# Governance, management and other information

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## Statutory information

### Information available for inspection

The opportunity to access information about Council operations is a vital part of open and accountable government. Residents and ratepayers of Towong Shire can access information either through the information available for public inspection (as recorded below) or through the Freedom of Information process.

The following information can be accessed from Council's Tallangatta Office by appointment:

- Details of current allowances fixed for the Mayor and Councillors;
- The total annual remuneration for all senior officers in respect of the current financial year and the previous financial year;
- Details of overseas or interstate travel (with the exception of interstate travel by land for less than 3 days) undertaken in an official capacity by Councillors or any member of Council staff in the previous 12 months;
- Names of Council officers who were required to submit a return of interest during the financial year and the dates the returns were submitted;
- Names of Councillors who submitted returns of interest during the financial year and the dates the returns were submitted;
- Agendas for and minutes of ordinary and special meetings held in the previous 12 months except if the minutes relate to parts of meetings which have been closed to members of the public;
- A list of all special committees established by Council and the purpose for which each committee was established;
- A list of all special committees established by the Council which were abolished or ceased to function during the financial year;
- Minutes of meetings of special committees held in the previous 12 months except if the minutes relate to parts of meetings which have been closed to members of the public;
- A register of delegations;
- Submissions received in accordance with section 223 of the Act during the previous 12 months;
- Agreements to establish regional libraries;
- Details of all property, finance and operating leases involving land, buildings, plant, computer equipment or vehicles entered into by the Council as lessor or lessee, including the name of the other party to the lease and the terms and the value of the lease;
- A register of authorised officers;
- A list of donations and grants made by the Council during the financial year;
- A list of the names of the organisations of which the Council was a member during the financial year and details of all membership fees and other amounts and services provided during that year to each organisation by the Council; and
- A list of contracts valued at \$150,000 or more which the Council entered into during the financial year without first engaging in a competitive process.

# Governance, management and other information

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## Carers Recognition Act

In accordance with the *Carers Recognition Act 2012* Council is required to report annually on its care management obligations under section 11 of that Act. Council has taken all practicable measures to comply with its responsibilities outlined in the *Carers Recognition Act 2012*. Council has promoted the principles of the Act to people in care relationships who receive council services; to people in care relationships, and to the wider community by:

- Distributing printed material through relevant council services; and
- Providing information to organisations represented in Council/community networks.

Council has taken all practicable measures to ensure staff, council agents and volunteers working for Council are informed about the principles and obligations of the Act.

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

## Contracts

During the year Council did not enter into any contracts valued at \$150,000 or more without first engaging in a competitive process.

## Disability Action Plan

In accordance with section 38 of the *Disability Act 2006*, as Council has prepared a draft Disability Action Plan (known as the Towong Shire Access and Inclusion Plan). Council anticipates adopting the Plan early in 2017. Council will report on its implementation in next year's Annual Report.

## Domestic Animal Management Plan

In accordance with the *Domestic Animals Act 1994*, Council is required to prepare a Domestic Animal Management Plan at four yearly intervals and evaluate its implementation in the Annual Report. Council adopted its *Domestic Animal Management Plan 2013-2017* in September 2014.

The development of Council's *Domestic Animal Management Plan* was guided by the following principles:

- The belief that pets contribute to quality of life;
- A requirement to balance the needs of those who own pets and those who do not;
- Valuing responsible pet ownership;
- Proactive animal management and education within the community
- Protection of the environment from any negative impacts of dogs and cats;
- Working in partnership with others to achieve positive outcomes for the community; and
- Local Government plays a leadership role in animal management

Council's *Domestic Animal Management Plan* includes an Action Plan to assist Council to achieve the Plan's objectives over a four year period.



# Governance, management and other information

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## 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 (Fol)

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.

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; and
- It should be accompanied by the appropriate application fee (the fee may be waived in certain circumstances).

Access charges may also apply once documents have been processed and a decision on access is made (e.g. photocopying, search and retrieval charges). Further information regarding Fol can be found at [www.foi.vic.gov.au](http://www.foi.vic.gov.au) or on Council's website [www.towong.vic.gov.au](http://www.towong.vic.gov.au)

Four Freedom of Information applications were received by Council during the 2015/16 financial year.

## Protected Disclosure Procedures

In accordance with Section 69 of the *Protected Disclosure Act 2012* Council must include in their Annual Report information about how to access the procedures established by the Council under Part 9 of that Act. It is also required to provide certain information about the number and types of protected disclosures complaints investigated during the financial year.

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 on Council's website.

During the 2015/16 year no disclosures were notified to Council officers appointed to receive disclosures or to the Independent Broad-based Anti-corruption Commission (IBAC).

## Road Management Act Ministerial Direction

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

# Performance Statement

<b>Sustainable Capacity Indicators</b>			
<i>Indicator/measure</i>	<b>Results 2015</b>	<b>Results 2016</b>	<b>Material Variations</b>
<b>Population</b> <i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$2,247.46	\$2,241.41	No material variations.
<i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$29,344.81	\$30,647.34	Towong Shire has a small population base compared to its large infrastructure network. The roads and bridges network account for approximately 83% of the dollar value of Council's total infrastructure.
<i>Population density per length of road</i> [Municipal population / Kilometres of local roads]	4.98	4.97	No material variations.
<b>Own-source revenue</b> <i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$1,497.12	\$1,569.42	No material variations.
<b>Recurrent grants</b> <i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$1,406.04	\$751.48	The high 2015 result was due to receiving \$1.8million of the 2015/16 Financial Assistance Grants allocation from the Victorian Grants Commission in advance on 30 June 2015. This was expected to be received in 2015/16, hence the lower result in 2016.
<b>Disadvantage</b> <i>Relative Socio-Economic Disadvantage</i> [Index of Relative Socio-Economic Disadvantage by decile]	7	7	No material variations.
<b>Aquatic Facilities Utilisation</b> <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	1.13	2.27	Council operates two outdoor seasonal swimming pools. Improvements in recording pool usage were implemented for the 2015/16 season which resulted in more accurate usage data for 2015/16. As a result of these improvements an increase of 7,000 visits (to 13,000 visits) was recorded in 2015/16 compared to 2014/15.

# Performance Statement

<b>Service Performance Indicators</b>			
<b>Service/indicator/measure</b>	<b>Results 2015</b>	<b>Results 2016</b>	<b>Material Variations</b>
<b>Animal Management</b> <b>Health and safety</b> <i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	0	0	There were no animal prosecutions in 2015/16.
<b>Food Safety</b> <b>Health and safety</b> <i>Critical and major non-compliance outcome notifications</i> [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100	100.00%	100.00%	All food premises that received a critical or major non-compliance outcome notification were followed up by Council in 2015/16.
<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]	60	51	Council participated in the 2016 Community Satisfaction Survey in order to obtain this data. The survey was facilitated by the Department of Environment, Land, Water and Planning.
<b>Libraries</b> <b>Participation</b> <i>Active library members</i> [Number of active library members / Municipal population] x100	4.36%	9.25%	Council provided two static libraries in its main centres of Corryong and Tallangatta during 2015/16. These libraries service our small dispersed population of 5,762 (ABS Catalogue 3218.0) which is spread over 6,635 square kilometres. The low percentage reflects the fact that many residents reside outside the two main centres where the static libraries are located and may access other library services in neighbouring municipalities.

# Performance Statement

Service Performance Indicators (continued)			
Service/indicator/measure	Results 2015	Results 2016	Material Variations
<b>Maternal and Child Health (MCH)</b> <b>Participation</b> <i>Participation in the MCH service</i> [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	100.00%	98.18%	There were 55 children enrolled in the Maternal and Child Health service for the year ending 30 June 2016 with only one child not attending during the year.
<b>Participation</b> <i>Participation in the MCH service by Aboriginal children</i> [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	0.00%	0.00%	No children currently registered with the MCH service have identified as having an Aboriginal or Torres Strait Islander background.
<b>Roads</b> <b>Satisfaction</b> <i>Satisfaction with sealed local roads</i> [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	59	54	Council participated in the 2016 Community Satisfaction Survey in order to obtain this data. The survey was facilitated by the Department of Environment, Land, Water and Planning.
<b>Statutory Planning</b> <b>Decision making</b> <i>Council planning decisions upheld at VCAT</i> [Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	33.33%	100.00%	There was one Council planning decision referred to VCAT for 2015/16. This Council decision was upheld at VCAT.
<b>Waste Collection</b> <b>Waste diversion</b> <i>Kerbside collection waste diverted from landfill</i> [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	32.49%	32.32%	No material variations.

# Performance Statement

Financial Performance Indicators							
Dimension/ <i>indicator</i> /measure	Results		Forecast				Material Variations
	2015	2016	2017	2018	2019	2020	
<b>Efficiency</b> <b>Revenue level</b> <i>Average residential rate per residential property assessment</i> [Residential rate revenue / Number of residential property assessments]	\$1,258.49	\$1,326.10	\$1,355.77	\$1,426.08	\$1,499.40	\$1,578.13	This indicator provides the "Average rates and charges per residential property assessment (excluding the Fire Service Property Levy)". It includes General Rates, Municipal Charge, Service Rates and Service Charges. Council adopted a 5.70% increase on General Rates and Municipal Charge and a 6.0% increase on Service Rates and Charges for the 2015/16 financial year.
<b>Expenditure level</b> <i>Expenses per property assessment</i> [Total expenses / Number of property assessments]	\$3,011.59	\$2,937.23	\$3,167.16	\$3,239.99	\$3,317.12	\$3,415.97	No material variations.
<b>Workforce turnover</b> <i>Resignations and terminations compared to average staff</i> [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	7.04%	9.93%	5.26%	4.82%	4.82%	4.82%	Council has a small workforce of 68.3 full time equivalents (FTE) in the 2015/16 budget. Of these 61.7 FTE are ongoing positions. During 2015/16 seven staff (5.1 FTE) left Council's employment.

# Performance Statement

Financial Performance Indicators (continued)							
Dimension/ <i>indicator</i> /measure	Results		Forecasts				Material Variations
	2015	2016	2017	2018	2019	2020	
<b>Unrestricted cash</b> <i>Unrestricted cash compared to current liabilities</i> [Unrestricted cash / Current liabilities] x100	281.66%	287.21%	448.70%	387.31%	363.07%	365.48%	Council forecasts 100% of the capital program will be complete and that all grants received will be expended at 30 June each year in its Strategic Resource Plan (SRP). This means that all funds are deemed to be unrestricted at year end in the SRP.
<b>Liquidity</b> <b>Working capital</b> <i>Current assets compared to current liabilities</i>  [Current assets / Current liabilities] x100	633.48%	561.45%	512.89%	447.98%	423.30%	423.75%	The 2015 result was higher than expected due to receiving \$1.8 million of the 2015/16 Financial Assistance Grants allocation from the Victorian Grants Commission. This was expected to be received in 2015/16. The forecast reduction in this indicator from 2017 is due to Council forecasting that 100% of the capital program will be complete and that all grants received will be expended at 30 June each year in its Strategic Resource Plan.

# Performance Statement

Financial Performance Indicators (continued)							
Dimension/ <i>indicator</i> /measure	Results		Forecasts				Material Variations
	2015	2016	2017	2018	2019	2020	
<b>Obligations</b> <b>Asset renewal</b> <i>Asset renewal compared to depreciation</i> [Asset renewal expense / Asset depreciation] x100	76.64%	60.92%	190.36%	94.86%	100.44%	105.27%	Council's asset renewal strategy has been to renew 100% of assets that fall below the intervention level. The intervention levels have been set based on community expectations.  The large increase in 2017 is due to expending the increased funding from the Roads to Recovery program and delivery of the Destination Tallangatta project.
<b>Loans and borrowings</b> <i>Loans and borrowings compared to rates</i> [Interest bearing loans and borrowings / Rate revenue] x100	0.46%	0.46%	18.33%	15.85%	13.49%	11.24%	Council had \$34,000 of borrowings at 30 June 2016. The increase in 2017 is due to Council's intention to take out a loan to complete a significant infrastructure project.

# Performance Statement

Financial Performance Indicators (continued)							
Dimension/ <i>indicator</i> /measure	Results		Forecasts				Material Variations
	2015	2016	2017	2018	2019	2020	
<i>Loans and borrowings repayments compared to rates</i> [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	4.64%	0.11%	2.70%	2.54%	2.42%	2.28%	There were two finance leases paid out in 2015 for plant. These plant items have subsequently been added to Council's fixed asset register. The increase in 2017 is due to Council's intention to take out a loan to complete a significant infrastructure project.
<b>Indebtedness</b> <i>Non-current liabilities compared to own source revenue</i> [Non-current liabilities / Own source revenue] x100	5.97%	7.44%	16.31%	14.32%	12.37%	10.62%	In 2016/17, Council has budgeted to take out new borrowings of \$493,000 to fund a significant intergenerational capital project. In addition, and subject to securing other government funding, new borrowings have been budgeted to deliver significant economic development infrastructure in the Upper Murray.



# Performance Statement

Financial Performance Indicators (continued)							
Dimension/ <i>indicator</i> /measure	Results		Forecasts			Material Variations	
	2015	2016	2017	2018	2019		
<b>Operating position</b> <b>Adjusted underlying result</b> Adjusted underlying surplus (or deficit) [Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100	26.57%	8.64%	12.63%	2.89%	4.05%	(0.21%)	The high 2015 result was due to receiving \$1.8million of the 2015/16 Financial Assistance Grants allocation from the Victorian Grants Commission in advance on 30 June 2015. This resulted in the adjusted underlying revenue and adjusted underlying result being \$1.8million higher than would otherwise have been. This was expected to be received in 2015/16. If this prepayment was not received and was paid in the year it related, the results for this indicator would have been 18.44% for 2015 and 18.95% for 2016.

# Performance Statement

Financial Performance Indicators (continued)							
Dimension/ <i>indicator</i> /measure	Results		Forecasts				Material Variations
	2015	2016	2017	2018	2019		
<b>Stability</b> <b>Rates concentration</b> <i>Rates compared to adjusted underlying revenue</i> [Rate revenue / Adjusted underlying revenue] x100	38.78%	52.59%	47.87%	54.97%	56.08%	60.14%	The low 2015 result was due to receiving \$1.8million of the 2015/16 Financial Assistance Grants allocation from the Victorian Grants Commission in advance on 30 June 2015. This resulted in the adjusted underlying revenue being \$1.8million higher than would otherwise have been as this was expected to be received in 2016. If this prepayment was not received and paid in the year it related, the results would have been 43.08% for 2015 and 46.65% for 2016.
<b>Rates effort</b> <i>Rates compared to property values</i> [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.53%	0.56%	0.56%	0.59%	0.63%	0.66%	No material variations.

# Performance Statement

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## 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 forecast by Council's Strategic Resource Plan for the prescribed financial performance indicators and measures. 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 2 August 2016 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 visiting Council's website [www.towong.vic.gov.au](http://www.towong.vic.gov.au) or is available for viewing at the Tallangatta or Corryong offices.

# Performance Statement

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## 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.

*Mr Blair Phillips, Certified Practicing Accountant*

**Principal Accounting Officer**

Tuesday 20 September 2016

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

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

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

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

*Cr Aaron Scales*

**Deputy Mayor**

Tuesday 20 September 2016

*Cr Debi Gadd*

**Councillor**

Tuesday 20 September 2016

*Ms Juliana Phelps, Chartered Accountant*

**Chief Executive Officer**

Tuesday 20 September 2016

# Performance Statement

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## Auditor-General's Report

**VAGO**

Victorian Auditor-General's Office

Level 24, 35 Collins Street  
Melbourne VIC 3000  
Telephone 61 3 8601 7000  
Facsimile 61 3 8601 7010  
Email [comments@audit.vic.gov.au](mailto:comments@audit.vic.gov.au)  
Website [www.audit.vic.gov.au](http://www.audit.vic.gov.au)

### INDEPENDENT AUDITOR'S REPORT

#### To the Councillors, Towong Shire Council

##### *The Performance Statement*

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

##### *The Councillors' Responsibility for the Performance Statement*

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

##### *Auditor's Responsibility*

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

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

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

# Performance Statement

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## Independent Auditor's Report (continued)

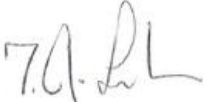
### *Independence*

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

### *Auditor's Opinion*

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

MELBOURNE  
27 September 2016

  
Andrew Greaves  
Auditor-General

# Financial Statements

## For the year ending 30 June 2016

### Comprehensive Income Statement for the year ending 30 June 2016

	Note	2016 \$'000	2015 \$'000
<b>Income</b>			
Rates and charges	3	7,481	7,042
Statutory fees and fines	4	172	176
User fees	5	463	623
Grants – operating	6	3,166	7,111
Grants – capital	6	2,244	3,555
Net gain/ (loss) on disposal of property, infrastructure, plant and equipment	7	35	8
Share of net profit/(loss) of joint arrangements	15	(14)	-
Other income	8	906	978
<b>Total income</b>		<b>14,453</b>	<b>19,493</b>
<b>Expenses</b>			
Employee costs and benefits	9	4,922	5,009
Materials and services	11	4,116	4,622
Depreciation	12	3,536	3,287
Borrowing costs	13	10	17
Other expenses	14	331	316
<b>Total expenses</b>		<b>12,915</b>	<b>13,251</b>
<b>Surplus/(Deficit)</b>		<b>1,538</b>	<b>6,242</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to surplus or deficit in future periods</b>			
Net asset revaluation increment/(decrement)	26	1,340	-
<b>Comprehensive result</b>		<b>2,878</b>	<b>6,242</b>

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

# Financial Statements

## For the year ending 30 June 2016

### Balance Sheet as at 30 June 2016

	Note	2016 \$'000	2015 \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	16	2,076	8,675
Trade and other receivables	17	1,085	1,066
Other financial assets	18	9,005	2,836
Inventories	19	301	253
Other assets	20	42	17
<b>Total current assets</b>		<b>12,509</b>	<b>12,847</b>
<b>Non-current assets</b>			
Trade and other receivables	17	153	185
Investments in joint arrangements	15	21	-
Property, infrastructure, plant and equipment	21	181,895	178,322
<b>Total non-current assets</b>		<b>182,069</b>	<b>178,507</b>
<b>Total assets</b>		<b>194,578</b>	<b>191,354</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	22	818	660
Trust funds and deposits	23	297	276
Provisions	24	1,113	1,092
Interest bearing loans and borrowings		-	-
<b>Total current liabilities</b>		<b>2,228</b>	<b>2,028</b>
<b>Non-current liabilities</b>			
Provisions	24	639	495
Interest-bearing loans and borrowings	25	34	32
<b>Total non-current liabilities</b>		<b>673</b>	<b>527</b>
<b>Total liabilities</b>		<b>2,901</b>	<b>2,555</b>
<b>Net Assets</b>		<b>191,677</b>	<b>188,799</b>
<b>Equity</b>			
Accumulated surplus		79,924	78,386
Reserves	26	111,753	110,413
<b>Total Equity</b>		<b>191,677</b>	<b>188,799</b>

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



# Financial Statements

## For the year ending 30 June 2016

### Statement of Changes in Equity for the year ending 30 June 2016

	Note	2016 \$'000	2015 \$'000
Accumulated Surplus			
Balance at beginning of the financial year		78,386	72,144
Surplus		1,538	6,242
Balance at end of the financial year		79,924	78,386
Asset Revaluation Reserve			
Balance at beginning of the financial year		110,413	110,413
Net asset revaluation increment/(decrement)	26	1,340	-
Balance at end of the financial year		111,753	110,413
Total			
Balance at beginning of the financial year		188,799	182,557
Surplus		1,538	6,242
Net asset revaluation increment/(decrement)	26	1,340	-
<b>Balance at end of the financial year</b>		<b>191,677</b>	<b>188,799</b>

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

# Financial Statements

## For the year ending 30 June 2016

### Statement of Cash Flows for the year ending 30 June 2016

	Note	2016 \$'000	2015 \$'000
<b>Cash flows from operating activities</b>			
Rates and charges		7,399	6,958
Statutory fees and fines		172	176
User fees		463	623
Grants – operating		3,166	7,111
Grants – capital		2,244	3,555
Interest		334	316
Other receipts		567	885
Trust funds and deposits		21	78
Payments to suppliers		(4,146)	(5,010)
Payments to employees		(4,873)	(4,914)
<b>Net cash provided by (used in) operating activities</b>	27	<b>5,347</b>	<b>9,778</b>
<b>Cash flows from investing activities</b>			
Payments for property, infrastructure, plant and equipment	21	(5,774)	(5,908)
Proceeds from sale of property, infrastructure, plant and equipment	7	40	78
Payments for investments (in joint arrangements)	15	(35)	-
(Increase)/ decrease in investments		(6,169)	(2,836)
<b>Net cash provided by (used in) investing activities</b>		<b>(11,938)</b>	<b>(8,666)</b>
<b>Cash flows from financing activities</b>			
Finance costs		(10)	(17)
Repayment of interest bearing loans and borrowings		2	(308)
<b>Net cash provided by (used in) financing activities</b>		<b>(8)</b>	<b>(325)</b>
Net increase/ (decrease) in cash and cash equivalents		<b>(6,599)</b>	<b>787</b>
Cash and cash equivalents at the beginning of the financial year		8,675	7,888
<b>Cash and cash equivalents at the end of the financial year</b>	16	<b>2,076</b>	<b>8,675</b>
Financing arrangements	28		
Restrictions on cash assets	16		

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

# Financial Statements

## For the year ending 30 June 2016

### Statement of Capital Works for the year ending 30 June 2016

	Note	2016 \$'000	2015 \$'000
<b>Property</b>			
Buildings		3,944	352
<b>Total Buildings</b>		<b>3,944</b>	<b>352</b>
<b>Total Property</b>		<b>3,944</b>	<b>352</b>
<b>Plant and equipment</b>			
Plant, machinery and equipment		109	459
Fixtures, fittings and equipment		39	62
Library books		40	-
<b>Total plant and equipment</b>		<b>188</b>	<b>521</b>
<b>Infrastructure</b>			
Roads		1,760	2,195
Bridges		114	664
Footpaths and cycleways		14	132
Drainage		91	94
Kerb and channel		84	48
Landfill		116	511
Other infrastructure		259	24
<b>Total infrastructure</b>		<b>2,438</b>	<b>3,668</b>
<b>Total capital works expenditure</b>		<b>6,570</b>	<b>4,541</b>
<b>Represented by:</b>			
New asset expenditure		2,918	1,141
Asset renewal expenditure		2,154	2,519
Asset upgrade expenditure		1,378	881
Asset expansion expenditure		120	-
<b>Total capital works expenditure</b>		<b>6,570</b>	<b>4,541</b>

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

# Financial Statements

## For the year ending 30 June 2016

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### Notes to the Financial Statements for the year ending 30 June 2016

#### Introduction

Towong 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 32 Towong Street, Tallangatta, Victoria.

#### Statement of compliance

These financial statements are a general purpose financial report that consists of a Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, Statement of Capital Works and Notes accompanying these financial statements. The general purpose financial report complies with Australian Accounting Standards (AAS), other authoritative pronouncements of the Australian Accounting Standards Board (AASB), 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 that have significant effects on the financial statements and estimates relate to the:

- recognition and measurement of property, plant and equipment, infrastructure and other assets (refer to Note 1 (l));
- determination of depreciation and amortisation of property, plant and equipment, infrastructure and other assets (refer to Note 1 (m)); and
- the determination of employee costs and benefits (refer to Note 1 (r)).

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

##### b) Change in accounting policies

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

# Financial Statements

## For the year ending 30 June 2016

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### c) Principles of consolidation

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

Subsidiaries are fully consolidated from the date on which control is transferred to the Council. They are deconsolidated from the date that control ceases.

Council had no controlled entities for this reporting period.

### 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 joint arrangements

#### *Joint arrangements*

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

#### (i) Joint operations

Council recognises its direct right to, and its share of jointly held assets, liabilities, revenues and expenses of joint operations. These have been incorporated in the financial statements under the appropriate headings.

#### (ii) Joint ventures

Interests in joint ventures are accounted for using the equity method. Under this method, the interests are initially recognised in the balance sheet at cost and adjusted thereafter to recognise Council's share of the post-acquisition profits or losses and movements in other comprehensive income in profit or loss and other comprehensive income respectively.

MomentumOne Shared Services Pty Ltd was established on 29 October 2015 as a joint venture between Alpine Shire and Towong Shire Council with each Council holding a 50% share in the company and will also have a 50% share of the post-acquisition profits or losses. It will be treated per Note 1e(ii). Also refer to Note 15.

### 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.

# Financial Statements

## For the year ending 30 June 2016

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### *Statutory fees and fines*

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

### *User fees*

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

### *Grants*

Grant income is recognised as revenue 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 they 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.

A provision for doubtful debts is recognised when collection in full is no longer probable.

## **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.

# Financial Statements

## For the year ending 30 June 2016

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All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within a fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, Council has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

In addition, Council determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

### **h) Cash and cash equivalents**

Cash and cash equivalents include cash on hand, deposits at call, and other highly liquid investments with original maturities of 90 days or less, net of outstanding bank overdrafts.

### **i) Trade and other receivables**

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

### **j) Other financial assets**

Other financial assets are valued at fair value, being market value, at balance date. Term deposits are measured at amortised cost. Other financial assets include term deposits with an original maturity of greater than three months. Any unrealised gains and losses on holdings at balance date are recognised as either a revenue or expense.

### **k) Inventories**

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

### **l) Recognition and measurement of property, plant and equipment, infrastructure and other assets**

#### *Acquisition*

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

# Financial Statements

## For the year ending 30 June 2016

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

In accordance with Council's policy, the threshold limits detailed in Note 1 (m) have been 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 on an asset result in changes to the permissible or practical highest and best use of the asset. Further details regarding the fair value hierarchy are disclosed at Note 21 - Property, infrastructure, plant and equipment.

In addition, Council undertakes a formal revaluation of land, buildings and infrastructure assets within a 5 year cycle. The valuation is performed by experienced council officers or independent experts.

Where 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.

### **m) Depreciation and amortisation of property, plant and equipment, infrastructure and other assets**

Property, plant and equipment, infrastructure and other assets having limited useful lives are systematically depreciated over their useful lives to 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.



# Financial Statements

## For the year ending 30 June 2016

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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. Major depreciation periods used are listed below and are consistent with the prior year unless otherwise stated:

	2016	2015
Buildings		
buildings	50 years	50 years
Plant and Equipment		
vehicles	5 years	5 years
trucks (less than 3.5 t)	12 years	12 years
trucks (greater than 3.5 t)	15 years	15 years
front end loaders, backhoes and tractors	9 years	9 years
graders and dozers	10 years	10 years
rollers	15 years	15 years
mowers	5 years	5 years
trailers (less than 4.5 t)	10 years	10 years
trailers (greater than 4.5 t)	15 years	15 years
other plant	10 years	10 years
minor tools	3 years	3 years
Machinery		
office furniture and telecommunications	3 years	3 years
Infrastructure		
Roads		
sealed pavements	70 years	70 years
unsealed pavements	30 years	30 years
footpaths	68 years	68 years
kerb and channel	90 years	90 years
guardrail	40 years	40 years
Bridges		
bridges	119 years	119 years
added features	80 years	80 years
Drainage		
underground drainage	120 years	120 years

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

Threshold limit	2016 \$'000	2015 \$'000
Land	Nil	Nil
Buildings	5	5
Plant and equipment	1	1
Infrastructure	10	10

# Financial Statements

## For the year ending 30 June 2016

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### **n) Repairs and maintenance**

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

### **o) Impairment of assets**

At each reporting date, 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 asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the comprehensive income statement, unless the asset is carried at the revalued amount in which case, the impairment loss is recognised directly against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

### **p) Trust funds and deposits**

Amounts received as deposits and retention amounts controlled by Council are recognised as trust funds until they are returned, transferred in accordance with the purpose of the receipt, or forfeited (refer to Note 23).

### **q) Borrowings**

Borrowings are initially measured at fair value, being the cost of the interest bearing liabilities, net of transaction costs. The measurement basis subsequent to initial recognition depends on whether 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 the net result over the period of the borrowing using the effective interest method.

The classification depends on the nature and purpose of the interest bearing liabilities. Council determines the classification of its interest bearing liabilities at initial recognition.

#### *Borrowing costs*

Borrowing costs are recognised as an expense in the period in which they are incurred, except where they are capitalised as part of a qualifying asset constructed by Council. 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, except where specific borrowings are obtained for the purpose of specific asset acquisition.

Borrowing costs include interest on bank overdrafts, interest on borrowings, and finance lease charges.

# Financial Statements

## For the year ending 30 June 2016

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### r) Employee costs and benefits

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

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

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

Liabilities that are not expected to be wholly settled within 12 months of the reporting date are recognised in the provision for employee benefits as current liabilities, measured at 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; or
- Nominal value - component that is expected to be wholly settled within 12 months

Conditional LSL that has been accrued, where an employee is yet to reach a qualifying term of employment, is disclosed as a non-current liability. There is an unconditional right to defer settlement of the entitlement until the employee has completed the requisite years of service.

This non-current LSL liability is measured at present value.

### s) Landfill rehabilitation provision

Council is obligated to restore landfill 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.

# Financial Statements

## For the year ending 30 June 2016

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### t) Leases

#### *Operating Leases*

Lease payments for operating leases are required by AASB 117 Leases to be recognised on a straight line basis, rather than expensed in the years in which they are incurred.

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

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables in the Balance Sheet are shown inclusive of GST.

Cash flows are presented in the Statement of Cash Flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

### v) 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 exclusive of the GST payable.

### w) Rounding

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

### x) Pending accounting standards

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

## Note 2. Budget comparison

The budget comparison note compares 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 \$100,000 or 10% 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. Positive variances are favourable to Council's financial position whilst negative variances are unfavourable to Council's financial position.

The budget figures detailed below are those adopted by Council on 2 June 2015. The Budget was based on assumptions that were relevant at the time of adoption of the Budget. Council sets guidelines and parameters for revenue and expense targets in this budget in order to meet Council's planning and financial performance targets for both the short and long-term.

# Financial Statements

## For the year ending 30 June 2016

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

	Actual 2016 \$'000	Budget 2016 \$'000	Variance		Ref
			\$'000	%	
<b>Income</b>					
Rates and charges	7,481	7,477	4	1%	
Statutory fees and fines	172	161	11	7%	
User fees	463	464	(1)	(1%)	
Grants – operating	3,166	4,571	(1,405)	(31%)	1
Grants – capital	2,244	1,795	(449)	25%	2
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	35	-	35	100%	3
Share of net profits/(loss) of associates	(14)	-	(14)	100%	4
Other income	906	612	294	48%	5
<b>Total income</b>	<b>14,453</b>	<b>15,080</b>	<b>(627)</b>	<b>(4%)</b>	
<b>Expenses</b>					
Employee costs and benefits	4,922	5,774	852	15%	6
Materials and services	4,116	4,308	192	4%	7
Depreciation and amortisation	3,536	3,530	(6)	(1%)	
Borrowing costs	10	53	43	81%	8
Other expenses	331	354	23	6%	
<b>Total expenses</b>	<b>12,915</b>	<b>14,019</b>	<b>1,104</b>	<b>8%</b>	
<b>Surplus/ (deficit) for the year</b>	<b>1,538</b>	<b>1,061</b>	<b>477</b>	<b>45%</b>	

### Explanation of material variations

Ref	Item	Explanation
1	Grants operating	<p>\$1,826,451 of the Victorian Grants Commission (VGC) 2015/16 allocation of Financial Assistance Grants was received in the prior financial year (30 June 2015). It had been budgeted to be received in 2015/16.</p> <p>Council received revenue that was not budgeted in 2015/16 being \$222,500 from Regional Development Victoria for the Wyeboo Multi Purpose Facility as well as \$100,000 for the "My Family First Pilot Program."</p>

# Financial Statements

## For the year ending 30 June 2016

Ref	Item	Explanation
2	Grants capital	<p>Roads to Recovery funding of \$1.92 million has been received during the 2015/16 financial year. This is \$575,000 higher than budget. This is in line with the new four year funding program.</p> <p>Council is yet to receive the final funding instalment of \$100,000 (\$50,000 from Sustainability Victoria and \$50,000 from Regional Development Victoria) for the Tallangatta Integrated Community Centre. This is anticipated to be received in the first quarter of 2016/17 due to delays in construction.</p>
3	Net gain/(loss) on disposal of property, infrastructure, plant and equipment	Gain on sales of plant and equipment was not budgeted.
4	Share of net profits/ (loss) of associates	Share of net profits/ (loss) of associates was not budgeted as the entity was not established at the time the budget was prepared.
5	Other income	<p>Interest on investments was \$113,000 above budget due to grant funding for large projects being held due to delays in construction as well as the prepayment of VGC grants in item 1 – Grants Operating.</p> <p>Community contributions for the Wyeboo Multi Purpose Facility (\$90,000) and Attree Park playground (\$40,000) were unbudgeted in 2015/16.</p>
6	Employee costs and benefits	There were several positions budgeted in 2015/16 which were not filled and a number of positions remained vacant longer than expected whilst employees were recruited.
7	Materials and services	<p>The major items contributing to the variance include:</p> <ul style="list-style-type: none"> <li>- \$190,000 was budgeted to be spent on The Narrows Project. Timelines have been revised for the project with this expenditure to be incurred in 2016/17.</li> <li>- \$148,000 budgeted for the Corryong Tennis Court upgrade will be spent in 2016/17 with works set to commence in September 2016.</li> <li>- \$104,000 saving against budget for delivery of kerbside collection due to higher plant utilisation rate.</li> </ul>
8	Borrowing costs	The 2015/16 budget provided for a loan to be taken out to fund the underground power lines in Tallangatta. This will likely be taken out in 2016/17 as part of the Destination Tallangatta project.

# Financial Statements

## For the year ending 30 June 2016

### b) Capital works

	Actual	Budget	Variance		Ref
	2016 \$'000	2016 \$'000	\$'000	%	
<b>Property</b>					
Buildings	3,944	3,518	(426)	(12%)	1
<b>Total buildings</b>	<b>3,944</b>	<b>3,518</b>	<b>(426)</b>	<b>(12%)</b>	
<b>Total property</b>	<b>3,944</b>	<b>3,518</b>	<b>(426)</b>	<b>(12%)</b>	
<b>Plant and equipment</b>					
Plant, machinery and equipment	109	539	430	80%	2
Fixtures, fittings and furniture	-	-	-	-	
Library books	40	20	(20)	(100%)	3
Computers and telecommunications	39	66	27	41%	4
<b>Total plant and equipment</b>	<b>188</b>	<b>625</b>	<b>437</b>	<b>70%</b>	
<b>Infrastructure</b>					
Roads	1,760	2,342	582	25%	5
Bridges	114	20	(94)	(470%)	6
Footpaths and cycleways	14	345	331	96%	7
Drainage	91	30	(61)	(203%)	8
Parks, open space and streetscapes	39	163	124	76%	9
Landfill	116	-	(116)	(100%)	10
Other infrastructure	304	687	383	56%	11
<b>Total infrastructure</b>	<b>2,438</b>	<b>3,587</b>	<b>1,149</b>	<b>32%</b>	
<b>Total capital works expenditure</b>	<b>6,570</b>	<b>7,730</b>	<b>1,160</b>	<b>15%</b>	
<b>Represented by:</b>					
New asset expenditure	2,918	3,137	219	7%	
Asset renewal expenditure	2,154	3,258	1,104	34%	
Asset upgrade expenditure	1,378	1,335	(43)	(3%)	
Asset expansion expenditure	120	-	(120)	(100%)	
<b>Total capital works expenditure</b>	<b>6,570</b>	<b>7,730</b>	<b>1,160</b>	<b>15%</b>	

# Financial Statements

## For the year ending 30 June 2016

### Explanation of material variations

Ref	Item	Explanation
1	Buildings	Buildings and building improvement works that were expected to be completed in 2015/16 that will be carried forward into 2016/17 include the Tallangatta Holiday Park (\$300,000) and the Corryong Swimming Pool upgrade (\$300,000).  The major projects contributing to the \$426,000 variance include: - \$588,000 budgeted for "Our Bellbridge" in the streetscape category has been categorised under the buildings category - \$222,000 for the Tallangatta Integrated Community Centre - \$120,000 for the Bellbridge Community Centre (budgeted for completion in 2014/15) - \$101,000 for the Colac Colac Caravan park residence (capital works brought forward from future years into 2015/16).
2	Plant and equipment	The Finance System upgrade (\$200,000) and Wireless Infrastructure Project (\$300,000) will be carried forward to 2016/17.
3	Library books	An additional \$20,000 for library books was agreed to by Council at Council's ordinary meeting on 1 December 2015.
4	Computers	Underground cabling not carried out in 2015/16 and will be carried forward to 2016/17.
5	Roads	Works on Georges Creek Road (\$404,000) and Shellwy-Walwa Road (\$100,000) will be carried forward to 2016/17.
6	Bridges	Additional bridge works have been carried out using the remaining funding from the Country Roads and Bridges program.
7	Footpaths and cycleways	\$325,000 of budgeted footpath works will be carried forward to 2016/17 as part of the Destination Tallangatta project.
8	Drainage	\$75,000 budgeted for "Our Bellbridge" in the streetscape category has been categorised under the drainage category.
9	Parks, open spaces and streetscapes	The Towong Street redevelopment project (\$80,000) and signage, town entry and street furniture projects (\$80,000) will be carried forward to 2016/17 as part of Destination Tallangatta.
10	Landfill	There was a \$116,000 increase in the landfill rehabilitation provision for 2015/16.
11	Other infrastructure	The Towong Street underground power project (\$493,000) will be carried forward to 2016/17.



# Financial Statements

## For the year ending 30 June 2016

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Note: The projects listed below are being carried forward into 2016/17 due to them being part of the Destination Tallangatta project which is part funded by the National Stronger Regions Funding.

- Tallangatta Holiday Park - \$300,000
- Tallangatta streetscape - \$112,000
- Kerb replacement program - \$70,000
- Towong Street underground power - \$493,000

# Financial Statements

## For the year ending 30 June 2016

### Note 3. Rates and charges

Council uses capital improved value (CIV) as the basis of valuation of all properties within the municipal district. The CIV of a property is the value of the land and capital improvements on the land.

The valuation base used to calculate general rates for 2015/16 was \$1,331 million (2014/15 \$1,318 million). The 2015/16 rate in the CIV dollar was 0.3777 cents to 1.5109 cents (2014/15, 0.3574 cents to 1.4296 cents).

	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>
Residential general rates	1,165	1,090
Business general rates	142	131
Rural Residential general rates	857	801
Rural general rates	3,056	2,888
Undeveloped residential general rates	87	93
Municipal charge	987	928
Garbage charge	754	707
Waste Management charge	386	361
Revenue in lieu of rates	47	43
<b>Total rates and charges</b>	<b>7,481</b>	<b>7,042</b>

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2016, and the valuation will be first applied in the rating year commencing 1 July 2016.

### Note 4. Statutory fees and fines

	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>
Infringements and costs	-	8
Land information certificates	6	4
Health registration fees	28	30
Permits	104	99
Town planning fees	34	35
<b>Total statutory fees and fines</b>	<b>172</b>	<b>176</b>

### Note 5. User fees

	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>
Children's program fees	37	26
External private works	16	58
Refuse disposal fees	177	138
Saleyard dues	23	33
Septic tank fees	5	7
Swimming pool fees	41	37
Valuation fees/supplementary charges	1	76
Other fees and charges	163	248
<b>Total user fees</b>	<b>463</b>	<b>623</b>

# Financial Statements

## For the year ending 30 June 2016

### Note 6. Grants

	2016 \$'000	2015 \$'000
<b>Summary of grants</b>		
Commonwealth funded grants	3,638	6,110
State funded grants	1,763	4,547
Other grants	9	9
<b>Total</b>	<b>5,410</b>	<b>10,666</b>
<b>Operating Grants</b>		
<b><i>Recurrent - Commonwealth Government</i></b>		
Victoria Grants Commission – General Purpose	1,065	3,433
Victoria Grants Commission – Local Roads	656	2,059
<b><i>Recurrent - State Government</i></b>		
Family and Children	449	483
Community	132	106
Emergency Services	92	92
School crossing supervisors	9	9
<b>Total recurrent operating grants</b>	<b>2,403</b>	<b>6,182</b>
<b><i>Non-recurrent – State Government</i></b>		
Community Development	134	193
Family and Children	173	-
Infrastructure	363	621
Environment	30	-
Economic Development	63	115
<b>Total non-recurrent operating grants</b>	<b>763</b>	<b>929</b>
<b>Total operating grants</b>	<b>3,166</b>	<b>7,111</b>
<b>Capital Grants</b>		
<b><i>Recurrent – Commonwealth Government</i></b>		
Roads to Recovery	1,917	618
<b><i>Recurrent – State Government</i></b>		
Country Roads and Bridges	-	1,000
Local Government Infrastructure Program	10	490
<b>Total recurrent capital grants</b>	<b>1,927</b>	<b>2,108</b>
<b><i>Non-recurrent – State Government</i></b>		
Infrastructure (buildings)	-	814
Roads/ Blackspot	-	594
Other infrastructure	317	39
<b>Total non-recurrent capital grants</b>	<b>317</b>	<b>1,447</b>
<b>Total capital grants</b>	<b>2,244</b>	<b>3,555</b>
<b>Total Grants</b>	<b>5,410</b>	<b>10,666</b>

# Financial Statements

## For the year ending 30 June 2016

	2016 \$'000	2015 \$'000
<b>Unspent grants received on condition that they be spent in a specific manner</b>		
Opening restricted assets resulting from grant revenues	2,014	3,794
Received during the financial year and remained unspent at balance date	1,490	1,085
Received in prior years and spent during the financial year	(1,660)	(2,865)
<b>Balance at year end</b>	<b>1,844</b>	<b>2,014</b>

### Note 7. Net gain/(loss) on disposal of property, infrastructure, plant and equipment

	2016 \$'000	2015 \$'000
Proceeds of sale	40	78
Written down value of assets disposed	(5)	(70)
<b>Total net gain/ (loss) on disposal of property, infrastructure, plant and equipment</b>	<b>35</b>	<b>8</b>

### Note 8. Other income

	2016 \$'000	2015 \$'000
Interest	293	321
Interest on rates	38	48
Community contributions	160	325
Other rent	46	49
Shared service	109	109
Other	260	126
<b>Total other income</b>	<b>906</b>	<b>978</b>

### Note 9. Employee costs and benefits

	2016 \$'000	2015 \$'000
Wages and salaries	3,950	4,059
WorkCover	73	71
Annual leave and long service leave	474	461
Superannuation (Note 10)	403	403
Fringe benefits tax	22	15
<b>Total employee benefits</b>	<b>4,922</b>	<b>5,009</b>

# Financial Statements

## For the year ending 30 June 2016

### Note 10. Superannuation

Council made contributions to the following funds:

	2016 \$'000	2015 \$'000
<b>Defined benefit funds</b>		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	51	49
	<b>51</b>	<b>49</b>
Employer contributions payable at reporting date	-	-
<b>Accumulation funds</b>		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	165	181
Employer contributions to other funds	187	173
	<b>352</b>	<b>354</b>
Employer contributions payable at reporting date	-	-
<b>Total Superannuation</b>	<b>403</b>	<b>403</b>

Refer to Note 31 for further information relating to Council's superannuation obligations

### Note 11. Materials and services

	2016 \$'000	2015 \$'000
Materials and services	2,471	2,736
Contract payments	318	301
Building maintenance	841	1,062
Plant and equipment maintenance	322	351
Utilities	164	166
Consultants	-	6
<b>Total materials and services</b>	<b>4,116</b>	<b>4,622</b>

### Note 12. Depreciation and amortisation

	2016 \$'000	2015 \$'000
Property	510	472
Plant and equipment	571	626
Infrastructure	2,455	2,189
<b>Total depreciation and amortisation</b>	<b>3,536</b>	<b>3,287</b>

Refer to Note 21 for a more detailed breakdown of depreciation and amortisation charges.

# Financial Statements

## For the year ending 30 June 2016

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### Note 13. Borrowing costs

	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>
Bank fees and overdraft charges	10	8
Interest - Finance leases	-	9
<b>Total borrowing costs</b>	<b>10</b>	<b>17</b>

### Note 14. Other expenses

	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>
Auditors' remuneration – Victorian Auditor General's Office – audit of financial statements, performance statement and grant acquittals	43	29
Councillors' allowances	154	150
Contributions	134	137
<b>Total other expenses</b>	<b>331</b>	<b>316</b>

# Financial Statements

## For the year ending 30 June 2016

### Note 15. Investments in associates, joint arrangements and subsidiaries

	2016 \$'000	2015 \$'000
Investments in joint arrangements accounted for by the equity method are: - MomentumOne Shared Services Pty Ltd		
<i>A 50% interest is held in MomentumOne Shared Services Pty Ltd.</i>		
<b>Fair value of Council's investment in MomentumOne Shared Services Pty Ltd</b>		
<b>Council's share of accumulated surplus/(deficit)</b>		
Council's share of accumulated surplus(deficit) at start of year	-	-
Reported surplus(deficit) for year	(14)	-
Transfers (to) from reserves	-	-
Distributions for the year	-	-
<b>Council's share of accumulated surplus(deficit) at end of year</b>	<b>(14)</b>	-
<b>Council's share of reserves</b>		
Council's share of reserves at start of year	-	-
Transfers (to) from reserves	-	-
Council's share of reserves at end of year	-	-
<b>Movement in carrying value of specific investment</b>		
Carrying value of investment at start of year	-	-
Initial investment in associate (start up capital)	35	-
Share of surplus(deficit) for year	(14)	-
Share of asset revaluation	-	-
Distributions received	-	-
<b>Carrying value of investment at end of year</b>	<b>21</b>	-
<b>Council's share of expenditure commitments</b>		
Operating commitments	-	-
Capital commitments	-	-
<b>Council's share of expenditure commitments</b>	-	-

### Note 16. Cash and cash equivalents

	2016 \$'000	2015 \$'000
<b>Cash and cash equivalents</b>		
Cash on hand	1	1
Cash at bank	88	1,900
Money market call account	1,987	2,124
Term deposits (original maturity less than 3 months)	-	4,650
<b>Total cash and cash equivalents</b>	<b>2,076</b>	<b>8,675</b>

# Financial Statements

## For the year ending 30 June 2016

Council's cash and cash equivalents are subject to a number of internal and external restrictions that limit amounts available for discretionary or future use. These include:		
- Unexpended grant funding (Note 6)	1,844	2,014
- Trust funds and deposits (Note 23)	297	276
<b>Restricted Funds</b>	<b>2,141</b>	<b>2,290</b>
<b>Total unrestricted cash and cash equivalents</b>	<b>(65)</b>	<b>6,385</b>
<b>Intended allocations</b>		
Although not externally restricted the following amount has been allocated for specific future purposes by Council:		
- Cash held to fund carried forward capital works	<b>2,838</b>	<b>3,509</b>

Refer also to Note 18 for details of other financial assets held by Council.



# Financial Statements

## For the year ending 30 June 2016

### Note 17. Trade and other receivables

	2016 \$'000	2015 \$'000
<b>Current</b>		
Rates debtors	624	546
Walwa Waste Water Supply Scheme debtors	16	17
Eskdale Water Supply Scheme debtors	10	9
Fire Service Property Levy debtors	76	72
Sundry debtors	175	134
Accrued income	69	72
Net GST receivable	115	216
<b>Total current trade and other receivables</b>	<b>1,085</b>	<b>1,066</b>
<b>Non-current</b>		
Walwa Waste Water Supply Scheme debtors	144	167
Eskdale Water Supply Scheme debtors	9	18
<b>Total non-current trade and other receivables</b>	<b>153</b>	<b>185</b>
<b>Total trade and other receivables</b>	<b>1,238</b>	<b>1,251</b>

#### a) Ageing of sundry debtors

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

	2016 \$'000	2015 \$'000
Current (not yet due)	68	98
Past due by up to 30 days	17	2
Past due between 31 and 180 days	50	21
Past due between 181 and 365 days	10	3
Past due by more than 1 year	30	10
<b>Total sundry debtors</b>	<b>175</b>	<b>134</b>

### Note 18. Other financial assets

	2016 \$'000	2015 \$'000
Term deposits (original maturity greater than 3 months)	9,005	2,836
<b>Total other financial assets</b>	<b>9,005</b>	<b>2,836</b>

### Note 19. Inventories

	2016 \$'000	2015 \$'000
Inventories held for internal use	301	253
<b>Total inventories</b>	<b>301</b>	<b>253</b>

# Financial Statements

## For the year ending 30 June 2016

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### Note 20. Other assets

	2016 \$'000	2015 \$'000
<b>Current</b>		
Prepayments	42	17
<b>Total</b>	<b>42</b>	<b>17</b>

# Financial Statements

For the year ending 30 June 2016

## Note 21. Property, infrastructure, plant and equipment

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

	At fair value 30 June 2016 \$'000	Accumulated depreciation \$'000	WDV 30 June 2016 \$'000
Property	33,042	(11,861)	21,181
Plant and equipment	7,020	(4,546)	2,474
Infrastructure	217,494	(59,825)	157,669
Work in progress	571	-	571
	<b>258,127</b>	<b>(76,232)</b>	<b>181,895</b>

	At fair value 30 June 2015 \$'000	Accumulated depreciation \$'000	WDV 30 June 2015 \$'000
	29,098	(11,351)	17,747
	7,057	(4,195)	2,862
	212,896	(56,550)	156,346
	1,367	-	1,367
	<b>250,411</b>	<b>(72,089)</b>	<b>178,322</b>

### Summary of work in progress

	Opening WIP \$'000	Additions \$'000	Transfers \$'000	Write offs \$'000	Closing WIP \$'000
Property	1,362	3,013	(4,341)	-	34
Plant and equipment	-	-	-	-	-
Infrastructure	5	2,520	(1,988)	-	537
	<b>1,367</b>	<b>5,533</b>	<b>(6,329)</b>	<b>-</b>	<b>571</b>

# Financial Statements

## For the year ending 30 June 2016

### a. Property

Property	Land - specialised \$'000	Land – non specialised \$'000	Total Land \$'000	Buildings – non specialised \$'000	Total land and buildings \$'000	Work in progress (WIP) \$'000	Total property including WIP \$'000
At fair value 1 July 2015	1,545	3,760	5,305	23,793	29,098	1,362	30,460
Accumulated depreciation at 1 July 2015	-	-	-	(11,351)	(11,351)	-	(11,351)
<b>Written down value at 1 July 2015</b>	<b>1,545</b>	<b>3,760</b>	<b>5,305</b>	<b>12,442</b>	<b>17,747</b>	<b>1,362</b>	<b>19,109</b>
<b>Movements in fair value</b>							
Acquisition of assets at fair value	-	-	-	-	-	2,616	2,616
Revaluation increments/decrements	-	-	-	-	-	-	-
Fair value of assets disposed	-	-	-	-	-	-	-
Impairment losses recognised in operating result	-	-	-	-	-	-	-
Transfers	-	-	-	3,944	3,944	(3,944)	-
<b>Total movements in fair value</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,944</b>	<b>3,944</b>	<b>(1,328)</b>	<b>2,616</b>
<b>Movements in accumulated depreciation</b>							
Depreciation and amortisation	-	-	-	(510)	(510)	-	(510)
Revaluation increments/ (decrements)	-	-	-	-	-	-	-
Accumulated depreciation of disposals	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
<b>Total movements in accumulated depreciation</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(510)</b>	<b>(510)</b>	<b>-</b>	<b>(510)</b>
At fair value 30 June 2016	1,545	3,760	5,305	27,737	33,042	34	33,076
Accumulated depreciation at 30 June 2016	-	-	-	(11,861)	(11,861)	-	(11,861)
<b>Written down value at 30 June 2016</b>	<b>1,545</b>	<b>3,760</b>	<b>5,305</b>	<b>15,876</b>	<b>21,181</b>	<b>34</b>	<b>21,215</b>

# Financial Statements

## For the year ending 30 June 2016

### b. Plant and equipment

Plant and equipment	Plant, machinery and equipment	Fixtures, fittings and furniture	Computers	Library books	Total plant and equipment
	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2015	6,693	17	347	-	<b>7,057</b>
Accumulated depreciation at 1 July 2015	(3,969)	(17)	(209)	-	<b>(4,195)</b>
<b>Written down value at 1 July 2015</b>	<b>2,724</b>	<b>-</b>	<b>138</b>	<b>-</b>	<b>2,862</b>
<b>Movements in fair value</b>					
Acquisition of assets at fair value	109	-	39	40	<b>188</b>
Revaluation increments/decrements	-	-	-	-	-
Fair value of assets disposed	(225)	-	-	-	<b>(225)</b>
Impairment losses recognised in operating result	-	-	-	-	-
Transfers	-	-	-	-	-
<b>Total movements in fair value</b>	<b>(116)</b>	<b>-</b>	<b>39</b>	<b>40</b>	<b>(37)</b>
<b>Movements in accumulated depreciation</b>					
Depreciation and amortisation	(481)	-	(90)	-	<b>(571)</b>
Revaluation increments/ (decrements)	-	-	-	-	-
Accumulated depreciation of disposals	220	-	-	-	<b>220</b>
Transfers	-	-	-	-	-
<b>Total movements in accumulated depreciation</b>	<b>(261)</b>	<b>-</b>	<b>(90)</b>	<b>-</b>	<b>(351)</b>
At fair value 30 June 2016	6,577	17	386	40	<b>7,020</b>
Accumulated depreciation at 30 June 2016	(4,230)	(17)	(299)	-	<b>(4,546)</b>
<b>Written down value at 30 June 2016</b>	<b>2,347</b>	<b>-</b>	<b>87</b>	<b>40</b>	<b>2,474</b>

# Financial Statements

## For the year ending 30 June 2016

### c. Infrastructure

Infrastructure	Roads	Bridges	Footpaths	Drainage	Kerb and channel	Parks, open spaces and streetscapes	Landfill	Other infrastructure	Total infrastructure	Work in progress	Total infrastructure including WIP
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2015	170,645	25,520	1,507	6,885	7,566	24	749	-	212,896	5	212,901
Accumulated depreciation at 1 July 2015	(37,815)	(11,163)	(646)	(2,776)	(3,899)	(1)	(250)	-	(56,550)	-	(56,550)
<b>Written down value at 1 July 2015</b>	<b>132,830</b>	<b>14,357</b>	<b>861</b>	<b>4,109</b>	<b>3,667</b>	<b>23</b>	<b>499</b>	<b>-</b>	<b>156,346</b>	<b>5</b>	<b>156,351</b>
<b>Movements in fair value</b>											
Acquisition of assets at fair value	-	-	-	-	-	-	116	-	116	2,854	2,970
Revaluation increments/decrements	-	-	-	2,160	-	-	-	-	2,160	-	2,160
Fair value of assets disposed	-	-	-	-	-	-	-	-	-	-	-
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-	-	-
Transfers	1,760	114	14	91	84	39	-	220	2,322	(2,322)	-
<b>Total movements in fair value</b>	<b>1,760</b>	<b>114</b>	<b>14</b>	<b>2,251</b>	<b>84</b>	<b>39</b>	<b>116</b>	<b>220</b>	<b>4,598</b>	<b>532</b>	<b>5,130</b>
<b>Movements in accumulated depreciation</b>											
Depreciation and amortisation	(1,824)	(217)	(22)	(58)	(85)	(3)	(224)	(22)	(2,455)	-	(2,455)
Revaluation increments/ (decrements)	-	-	-	(820)	-	-	-	-	(820)	-	(820)
Accumulated depreciation of disposals	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-	-
<b>Total movements in accumulated depreciation</b>	<b>(1,824)</b>	<b>(217)</b>	<b>(22)</b>	<b>(878)</b>	<b>(85)</b>	<b>(3)</b>	<b>(224)</b>	<b>(22)</b>	<b>(3,275)</b>	<b>-</b>	<b>(3,275)</b>
At fair value 30 June 2016	172,405	25,634	1,521	9,136	7,650	63	865	220	217,494	537	218,031
Accumulated depreciation at 30 June 2016	(39,639)	(11,380)	(668)	(3,654)	(3,984)	(4)	(474)	(22)	(59,825)	-	(59,825)
<b>Written down value at 30 June 2016</b>	<b>132,766</b>	<b>14,254</b>	<b>853</b>	<b>5,482</b>	<b>3,666</b>	<b>59</b>	<b>391</b>	<b>198</b>	<b>157,669</b>	<b>537</b>	<b>158,206</b>

# Financial Statements

## For the year ending 30 June 2016

### *Valuation of land and buildings*

Valuation of land and buildings were undertaken by a qualified independent valuer (Marcus Hann, 62901, of LG Valuation Services Pty Ltd, ABN 77 095 763 625) as at 1 July 2012. The valuation of land and buildings is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Where land use is restricted through existing planning provisions the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the Comprehensive Income Statement.

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

Any significant movements in the unobservable inputs for land and land under roads will have a significant impact on the fair value of these assets.

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

	Level 1	Level 2	Level 3
Land	-	-	3,760
Specialised land	-	-	1,545
Buildings	-	-	15,876
<b>Total</b>	-	-	<b>21,181</b>

### *Valuation of infrastructure*

A valuation of Council's infrastructure assets was performed by Moloney Asset Management Systems. The effective date of the valuation is 30 June 2014, for all infrastructure assets other than drainage assets. A valuation of Council's drainage assets was performed by Ms Rachael Gadd (B Eng, Dip Ed), Civil Asset Engineer for Towong Shire Council effective 30 June 2016.

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

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

	Level 1	Level 2	Level 3
Roads	-	-	132,766
Bridges	-	-	14,254
Footpaths and cycleways	-	-	853
Drainage	-	-	5,482
Parks, open space and streetscapes	-	-	59
Kerb and channel	-	-	3,666
Landfill	-	-	391
Other infrastructure	-	-	198
<b>Total</b>	-	-	<b>157,669</b>

# Financial Statements

## For the year ending 30 June 2016

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### *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 85% and 95%. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values range between \$1,000 and \$245,000.

**Non-Specialised buildings** are valued using a depreciated replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement cost is calculated per building and ranges from \$10,000 to \$2,591,000. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and start from 50 years useful life. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.

**Infrastructure assets** are valued based on the depreciated replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives of infrastructure. The remaining useful lives of infrastructure assets are determined on the basis of the current condition of the asset and vary from 11 years to 120 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of infrastructure are sensitive to changes in use, expectations or requirements that could either shorten or extend the useful lives of infrastructure assets.



# Financial Statements

## For the year ending 30 June 2016

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### Note 22. Trade and other payables

	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>
Trade payables	531	397
Accrued wages	184	122
Accrued expenses	103	141
<b>Total trade and other payables</b>	<b>818</b>	<b>660</b>

### Note 23. Trust funds and deposits

	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>
Retention amounts	71	100
Fire Services Property Levy	182	121
Refundable deposits	44	55
<b>Total trust funds and deposits</b>	<b>297</b>	<b>276</b>

Purpose and nature of items

*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.

*Fire Services Property Levy* - Council is the collection agent for the Fire Services Property Levy on behalf of the State Government. Council remits amounts received on a quarterly basis. Amounts disclosed here will be remitted to the State Government in accordance with that process.

*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.

# Financial Statements

## For the year ending 30 June 2016

### Note 24. Provisions

	Annual leave	Long service leave	Flexi time	Landfill rehabilitation	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2016</b>					
Balance at beginning of the financial year	290	856	16	425	1,587
Additional provisions	311	125	87	116	639
Amounts used	(331)	(55)	(88)	-	(474)
Balance at the end of the financial year	<b>270</b>	<b>926</b>	<b>15</b>	<b>541</b>	<b>1,752</b>
<b>2015</b>					
Balance at beginning of the financial year	245	808	14	232	1,299
Additional provisions	333	127	96	205	761
Amounts used	(288)	(79)	(94)	(12)	(473)
Balance at the end of the financial year	<b>290</b>	<b>856</b>	<b>16</b>	<b>425</b>	<b>1,587</b>

#### (a) Employee benefits

	2016 \$'000	2015 \$'000
<b>Current provisions expected to be wholly settled within 12 months</b>		
Annual leave	270	290
Long service leave	828	786
Flexi time	15	16
	<b>1,113</b>	<b>1,092</b>
<b>Non-current</b>		
Long service leave	98	70
	<b>98</b>	<b>70</b>
Aggregate carrying amount of employee benefits:		
Current	1,113	1,092
Non-current	98	70
<b>Total aggregate carrying amount of employee provisions</b>	<b>1,211</b>	<b>1,162</b>

#### (b) Landfill restoration

	2016 \$'000	2015 \$'000
Current	-	-
Non-current	541	425
<b>Total</b>	<b>541</b>	<b>425</b>

# Financial Statements

## For the year ending 30 June 2016

### Note 25. Interest bearing loans and borrowings

	2016 \$'000	2015 \$'000
<b><i>Borrowings</i></b>		
Current	-	-
Non-current	34	32
<b>Total Borrowings</b>	<b>34</b>	<b>32</b>
<b><i>Interest bearing loans and finance leases</i></b>		
Council had the following obligations under finance leases for the lease of equipment (the sum of which is recognised as a liability after deduction of future lease finance charges included in the obligation):		
Not later than one year	-	-
Minimum lease payments	-	-
Less: Future finance charges	-	-
Recognised in the balance sheet as:	-	-
<b><i>Leases</i></b>		
Current	-	-
Non-current	-	-
Total Leases	-	-
Aggregate carrying amount of interest-bearing loans and borrowings:		
Current	-	-
Non-current	34	32
<b>Total interest-bearing loans and borrowings</b>	<b>34</b>	<b>32</b>

# Financial Statements

## For the year ending 30 June 2016

### Note 26. Reserves

#### Asset revaluation reserve

	Balance at beginning of reporting period	Increment (decrement)	Balance at end of reporting period
	\$'000	\$'000	\$'000
<b>2016</b>			
<b>Property</b>			
Land	8,774	-	8,774
Buildings	2,398	-	2,398
	<b>11,172</b>	-	<b>11,172</b>
<b>Infrastructure</b>			
Roads	80,518	-	80,518
Bridges	10,789	-	10,789
Footpaths	513	-	513
Drainage	3,663	1,340	5,003
Kerb and channel	3,758	-	3,758
	<b>99,241</b>	<b>1,340</b>	<b>100,581</b>
<b>Total asset revaluation reserve</b>	<b>110,413</b>	<b>1,340</b>	<b>111,753</b>
<b>2015</b>			
<b>Property</b>			
Land	8,774	-	8,774
Buildings	2,398	-	2,398
	<b>11,172</b>	-	<b>11,172</b>
<b>Infrastructure</b>			
Roads	80,518	-	80,518
Bridges	10,789	-	10,789
Footpaths	513	-	513
Drainage	3,663	-	3,663
Kerb and channel	3,758	-	3,758
	<b>99,241</b>	-	<b>99,241</b>
<b>Total asset revaluation reserve</b>	<b>110,413</b>	-	<b>110,413</b>

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

# Financial Statements

## For the year ending 30 June 2016

### Note 27. Reconciliation of cash flows from operating activities to surplus (deficit)

	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>
Surplus/ (deficit)	1,538	6,242
Depreciation/amortisation	3,536	3,287
(Profit) / loss on disposal of property, infrastructure, plant and equipment	(35)	(8)
Financing activities included in operating result	10	17
<i>Change in assets and liabilities:</i>		
(Increase)/decrease in trade and other receivables	13	77
(Increase)/decrease in prepayments	(25)	12
(Increase)/decrease in inventories	(48)	12
(Increase)/decrease in investment in associates	14	-
Increase/(decrease) in trade and other payables (operating)	158	(227)
Increase/(decrease) in provisions	165	288
Increase/ (decrease) in trust funds and deposits	21	78
<b>Net cash provided by/(used in) operating activities</b>	<b>5,347</b>	<b>9,778</b>

### Note 28. Financing arrangements

	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>
Bank overdraft	-	-
Credit card facility	25	25
Total facilities	25	25
Used facilities	25	25
<b>Unused facilities</b>	<b>-</b>	<b>-</b>

# Financial Statements

## For the year ending 30 June 2016

### Note 29. Commitments

2016	Not later than 1 year	1 to 2 years	2 to 5 years	Later than 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Operating</b>					
Other waste disposal	20	21	69	-	110
Corryong tennis court upgrade	145	-	-	-	145
<b>Total</b>	<b>165</b>	<b>21</b>	<b>69</b>	<b>-</b>	<b>255</b>
<b>Capital</b>					
Digouts/major patching	600	400	-	-	1,000
Reseal program	850	600	-	-	1,450
Bridge works	10	-	-	-	10
Building works	290	-	-	-	290
<b>Total</b>	<b>1,750</b>	<b>1,000</b>	<b>-</b>	<b>-</b>	<b>2,750</b>

2015	Not later than 1 year	1 to 2 years	2 to 5 years	Later than 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Operating</b>					
Other waste disposal	19	20	66	24	129
<b>Total</b>	<b>19</b>	<b>20</b>	<b>66</b>	<b>24</b>	<b>129</b>
<b>Capital</b>					
Digouts/major patching	600	-	-	-	600
Colac Colac Caravan park	145	-	-	-	145
Bellbridge streetscape	146	-	-	-	146
Tallangatta Integrated Community Centre	1,443	-	-	-	2,120
<b>Total</b>	<b>2,334</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,334</b>

# Financial Statements

## For the year ending 30 June 2016

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### Note 30. Operating leases

At the reporting date, Council had the following obligations under non-cancellable operating leases for the lease of land for use within Council's activities (these obligations are not recognised as liabilities):

	2016 \$'000	2015 \$'000
Not later than one year	20	19
Later than one year and not later than five years	90	110
Later than five years	-	-
	<b>110</b>	<b>129</b>

### Note 31. 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, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2016 this was 9.5% required under Superannuation Guarantee legislation).

#### **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 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's Actuary.

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

# Financial Statements

## For the year ending 30 June 2016

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Net investment returns	7.00% pa
Salary information	4.25% pa
Price inflation (CPI)	2.50% pa.

Vision Super has advised that the estimated VBI at 30 June 2016 was 102.0%.

The VBI is to be used as the primary funding indicator. Because the VBI was above 100%, the 2015 interim actuarial investigation determined the Defined Benefit category was in a satisfactory financial position and that no change was necessary to the Defined Benefit category's funding arrangements from prior years.

### ***Employer contributions***

#### ***Regular contributions***

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

#### ***Funding calls***

If the defined benefit category is in an unsatisfactory financial position at 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 Towong Shire Council) are required to make an employer contribution to cover the shortfall. Using the agreed methodology, the shortfall amount is apportioned between the participating employers based on the pre-1 July 1993 and post-30 June 1993 service liabilities of the Fund's defined benefit category, together with the employer's payroll at 30 June 1993 and at the date the shortfall has been calculated.

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

#### **2015 interim actuarial investigation surplus amounts**

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

- A VBI surplus of \$130.8 million; and
- A total service liability surplus of \$239 million.



# Financial Statements

## For the year ending 30 June 2016

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

### **Future superannuation contributions**

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2017 is \$50,000.

## **Note 32. 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 31. 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.

## **Note 33. Financial Instruments**

### **(a) Objectives and policies**

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 Council. These policies include identification and analysis of the risk exposure to Council and appropriate procedures, controls and risk minimisation.

### **(b) Market risk**

Market risk is the risk that the fair value or future cash flows of our financial instruments will fluctuate because of changes in market prices. 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 does not hold any interest bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Council has minimal exposure to cash flow interest rate risk through its cash and deposits that are at floating rates.

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

# Financial Statements

## For the year ending 30 June 2016

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

There has been no significant change in 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 Council's year end result.

### **(c) Credit risk**

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

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

Receivables consist of a large number of customers, spread across the ratepayer, business and government sectors. Credit risk associated with 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.

We may also be subject to credit risk for transactions which are not included in the balance sheet, such as when we provide a guarantee for another party. Details of our contingent liabilities are disclosed in Note 32.

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

### **(d) Liquidity risk**

Liquidity risk includes the risk that, as a result of our operational liquidity requirements we will not have sufficient funds to settle a transaction when required.

To help reduce these risks Council:

- has a liquidity portfolio structure that requires surplus funds to be invested within various bands of liquid instruments;
- monitors budget to actual performance on a regular basis

Council's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed in the balance sheet 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.

# Financial Statements

## For the year ending 30 June 2016

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 25.

### e) Fair value

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

#### Fair value hierarchy

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

### (f) Sensitivity disclosure analysis

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

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

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.

## Note 34. Related party transactions

### a) Responsible persons

Names of persons holding the position of a responsible person at Council at any time during the year are:

Councillors

Cr David Wortmann (Mayor)

Cr Aaron Scales

Cr Mary Fraser

Cr Debi Gadd

Cr Peter Joyce

Chief Executive Officer

Ms Juliana Phelps

Mr Jamie Heritage (acting from 27 April 2016 to 23 May 2016)

### b) Remuneration of responsible persons

	2016 Number of responsible persons	2015 Number of responsible persons
\$20,000 - \$29,999	4	3
\$30,000 - \$39,999	-	1
\$50,000 - \$59,999	-	1
\$60,000 - \$69,999	1	-
\$200,000 - \$209,999	-	1
\$220,000 - \$229,999	1	-
	<b>6</b>	<b>6</b>
	<b>\$'000</b>	<b>\$'000</b>
Total Remuneration for the reporting year for Responsible Persons included above amounted to:	388	367

# Financial Statements

## For the year ending 30 June 2016

### c) Senior officers remuneration

A Senior Officer other than a Responsible Person, is an officer of Council who has management responsibilities and reports directly to the Chief Executive or whose total annual remuneration exceeds \$139,000 (2014/15: \$136,000).

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

	<b>2016 Number of senior officers</b>	<b>2015 Number of senior officers</b>
<\$139,000	2	2
\$160,000 - \$169,999	-	1
\$170,000 - \$179,000	1	1
\$180,000 - \$189,000	1	-
	<b>4</b>	<b>4</b>
	<b>\$'000</b>	<b>\$'000</b>
Total Remuneration for the reporting year for Responsible Persons included above amounted to:	573	545

### Responsible persons retirement benefits

No retirement benefits have been made by Council to a Responsible Person (2014/15: nil).

### Loans to responsible persons

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

### Transactions with responsible persons

There were payments of \$3,038.25 (including GST) made to Dartmouth Pub Pty Ltd in 2015/16 (2014/15 \$2,998.41). Cr Aaron Scales has an interest in this business.

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

### Note 35. Events occurring after balance date

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

# Financial Statements

## For the year ending 30 June 2016

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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.



*Mr Blair Phillips, Certified Practicing Accountant*

**Principal Accounting Officer**

Tuesday 20 September 2016

Tallangatta

In our opinion the accompanying financial statements present fairly the financial transactions of Towong Shire Council for the year ended 30 June 2016 and the financial position of 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 Council and by the Local Government (Planning and Reporting) Regulations 2014 to certify the financial statements in their final form.



*Cr Aaron Scales*

**Deputy Mayor**

Tuesday 20 September 2016

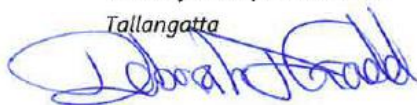
Tallangatta

*Cr Debi Gadd*

**Councillor**

Tuesday 20 September 2016

Tallangatta



*Ms Juliana Phelps, Chartered Accountant*

**Chief Executive Officer**

Tuesday 20 September 2016

Tallangatta



# Financial Statements

## For the year ending 30 June 2016

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### Auditor-General's Report

The logo for the Victorian Auditor-General's Office (VAGO) consists of the word "VAGO" in a bold, blue, sans-serif font. The letters are spaced out, with the 'V' and 'A' being significantly larger than the 'G', 'O', and 'G'. A thin blue horizontal line is positioned below the letters.

Victorian Auditor-General's Office

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Melbourne VIC 3000

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#### INDEPENDENT AUDITOR'S REPORT

##### To the Councillors, Towong Shire Council

###### *The Financial Report*

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

###### *The Councillors' Responsibility for the Financial Report*

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

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

###### *Auditor's Responsibility*

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

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

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

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

# Financial Statements

## For the year ending 30 June 2016

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### Independent Auditor's Report (continued)


#### *Independence*

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

#### *Opinion*

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

MELBOURNE  
27 September 2016

  
Andrew Greaves  
Auditor-General