



towongshire



innovation : technology : sustainability

2017/18

ANNUAL REPORT

Contents

Introduction	
Welcome	4
About Towong Shire	4
Facts, statistics and characteristics	5
About our organisation	6
Acknowledgments	6
The year in review	
A message from the Mayor and Chief Executive Officer	7
A snapshot	8
Financial summary	10
Major capital works	12
Challenges and future outlook	14
Our Council	
Councillors	19
Our people	
Management team	20
Organisational structure	21
Workforce statistics	22
Equal opportunity program	23
Our performance	
Planning and accountability framework	24
Council plan	25
1. Organisational improvement	26
2. Community wellbeing	31
3. Asset management	37
4. Land-use planning	42
5. Environmental sustainability	47
6. Economic and tourism development	52

Governance, management and other information	
Governance	57
Management	60
Governance and management checklist	63
Statutory information	68
Performance statement	
Performance statement	71
Basis of preparation	87
Certification of the performance statement	88
Auditor General's report	91
Financial statements	
Comprehensive income statement	91
Balance sheet	92
Statement of changes in equity	93
Statement of cash flows	94
Statement of capital works	95
Notes to the financial statements	96
Certification of the financial statements	142
Auditor General's report	143

Contact Information

Tallangatta (main office)

32 Towong Street (PO Box 55)

Tallangatta VIC 3700

T 02 6071 5100

Local Call 1300 365 222

Corryong

76 Hanson Street

Corryong VIC 3707

T 02 6076 2160

Online

www.towong.vic.gov.au

info@towong.vic.gov.au

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 the 2017/18 financial year. It reports Council's progress towards achieving the objectives, measures and priorities set out in the Council Plan 2017-21 as well as our financial performance for 2017/18.

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 (Planning and Reporting) Regulations 2014*.

About Towong Shire

Towong Shire, located in far north-eastern Victoria, possesses some of Australia's most pristine environment. Unique wilderness areas, lakes, rivers and streams create diverse landscapes that are enjoyed by around 6,000 residents and many more visitors across an area of more than 6,600 square kilometres.

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 agricultural and forestry industries.



Introduction

Facts, statistics and characteristics

Population (2017)	5,974
Area	6,674 km ²
Property assessments	4,422
Roads and transport	
Council roads	1,183 km
Arterial roads	483 km
People who live near public transport	5.3%
Economy	
Businesses	914
Employment participation rate	55.8%
Median weekly household income	\$850
Individuals and households	
Median age	50
People born overseas	8.1%
Average household size	2.3
Access to internet at home	74%
Social, community and health	
People who rated their community as a pleasant environment	96%
Children fully immunised between 24 and 27 months	100%
Kindergarten participation	93.6%
People who are members of a sports group	38.6%

Data sources:

Victorian Department of Health (<https://www2.health.vic.gov.au/about/publications/data/hume-region-2015>)
 Australian Bureau of Statistics (<http://stat.abs.gov.au/itt/r.jsp?databyregion>)

Statistics are taken from the latest year available. The statistics on this page are presented for information purposes only and may differ from the data sources used for performance reporting purposes.

Introduction

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 into 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

Acknowledgements

Towong Shire Council acknowledges the support of the Australian Government and the Victorian Government.



Australian Government



The year in review

A message from the Mayor and Chief Executive Officer

It is with pleasure that we introduce this Annual Report, marking the first full year in our four year 2017-2021 Council Plan. The Council Plan was adopted in August 2017 following an extensive community engagement process. The plan sets out the aspirations of Towong Shire community members and guides the budgeting and decision making of Council over the four year period.

Comprehensive masterplans and strategies developed in close consultation with the community over the past ten years continue to drive improvements across the Shire:

- Progress on the Destination Tallangatta foreshore upgrade and streetscape works
- Corryong Airport upgrade to provide a strategic base for State Government bushfire response activities and to support tourism opportunities
- Construction commenced on supporting infrastructure for the Great River Road touring route
- Community consultation on the development of the Upper Murray brand
- Introduction of a long day care service at the Berringa Community Centre for local families

We are constantly focused on increasing the liveability of our Shire and improving the health and wellbeing of our community. To deliver on this we have prioritised a number of initiatives including:

- Streetscape upgrades and tree plantings in Granya and Walwa
- New paths to support active living with the new Eskdale Recreation Reserve walking path constructed and planning well advanced for a path in Cudgewa
- Corryong Swimming Pool improvements with a new splash park, family change room, seating and shade and upgraded footpaths and amenities

Our results in the 2018 Community Satisfaction Survey were pleasing with many performance measures significantly above the state average. In particular, our overall performance was measured at 63 (out of 100). This compares to the Small Rural Council average result of 56 and the State average result of 59. Overall Council direction was another notable result with a score of 57 compared to a Small Rural Council average of 50 and a State average of 52.

Council continues to strongly advocate for our community's interests at a State and Federal Government level. We regularly meet with local MPs, Ministers and senior representatives from government departments to ensure that the needs of Towong Shire residents are known. We have a direct voice to Rural Councils Victoria, representing the Hume Region on the Committee as well as the contract to provide Secretariat services.

We are working to position our organisation to deliver quality services for the foreseeable future. Throughout the year we have maintained our focus on achieving efficiencies in work and purchasing practices. We continue to simplify our back-office processes and implement new software solutions that are commonly used in the small business sector, with Xero accounting software ready for a 1 July 2018 launch.

We are pleased with the progress we have made over the first year of the life of our 2017-2021 Council Plan. We extend our thanks to all our people: Councillors, staff, volunteers and community members. We are grateful for the support of those who continue to work with us to build a strong future for everyone in this beautiful part of the world.



Cr Aaron Scales
Mayor



Juliana Phelps
Chief Executive Officer

The year in review

A snapshot

July 2017

Corryong Saleyards Advisory Committee

Following an expression of interest process, Council established the Corryong Saleyards Advisory Committee. The Committee, which is comprised of community members who have a range of experience and interests, will provide advice to Council on the operation of the Saleyards. The first meeting of the Committee was held in September 2017.

August 2017

Council Plan 2017 – 2021 adopted

Extensive community feedback provided valuable input into the development of the Council Plan, which has set a four-year road map towards a vibrant and prosperous future for Towong Shire. More than 200 people attended consultation sessions and generated more than 400 ideas and suggestions guiding Council's direction for the next four years.

September 2017

***My Life My Disability* premiered in Corryong**

In partnership with local secondary school students a short movie was created to raise awareness of the challenges facing people experiencing a disability. Students interviewed individuals and families regarding their personal experiences with disability in a remote community and produced a DVD to share their stories.

October 2017

Live James Blundell performance

Over 190 residents attended our annual Seniors Event with a James Blundell concert held at the Tallangatta Memorial Hall. Buses provided transport from Bellbridge, Corryong and the Mitta Valley to enable as many residents as possible to be a part of this event.

November 2017

Eskdale Walking path

A new 1.25km walking path from Baude Street, Eskdale to the Eskdale Recreation Reserve was opened in November providing a safer pedestrian track along the Omeo Highway.

December 2017

Writing the War exhibition

To commemorate the centenary of World War I, the Tallangatta Neighbourhood House presented a touring exhibition from the State Library Victoria, exploring the personal stories of seven ordinary Australians from very different backgrounds told through their own diaries and letters. Tallangatta was one of twelve regional libraries to host the exhibition.

The year in review

A snapshot

January 2018

Long Day Care available in Bellbridge

In response to local demand, Council welcomed the Albury-Wodonga Community College to the Berringa Community Centre to deliver a much anticipated long day care service for local families.

February 2018

Tallangatta Foreshore upgrade completed

Delivered as part of the \$5.3m Destination Tallangatta project, the foreshore now boasts enhanced amenities, a bespoke playground, a splash park and new pathway links. Community members also participated in a naming competition with "Pelican Park" the winner.

March 2018

Corryong Airport upgrade completed

The Corryong Airport precinct redevelopment was completed in March, with a new Terminal Building, Department of Environment, Land, Water and Planning (DELWP) firefighting mixing shed, carpark, runway lighting and landscaping. This project will enable the airport to expand its operations, providing an air base for DELWP's bushfire response and supporting increased tourism opportunities.

April 2018

Anzac Day

Ceremonies were held in Bethanga, Corryong, Eskdale, Granya, Tallangatta and Walwa to remember those who fought. This important national occasion marks the anniversary of the first major military action by Australian and New Zealand forces during the First World War.

May 2018

Granya Streetscape

The Granya improvement and beautification project concluded in May, with streetscape works that included improved drainage, car parking and pedestrian access, kerb / channel upgrades, a town hall formal entry and exit, and the planting of 82 trees. This project has significantly improved the appearance of the township.

June 2018

Great River Road

Improvements works commenced in June to create a touring route between Bellbridge and Khancoban. The Great River Road is one of five key projects identified in the Upper Murray 2030 Vision Plan. Lookouts, wayside stops and large-scale art pieces to mark significant sites along the planned tourism route will be installed as part of this cross-border project.

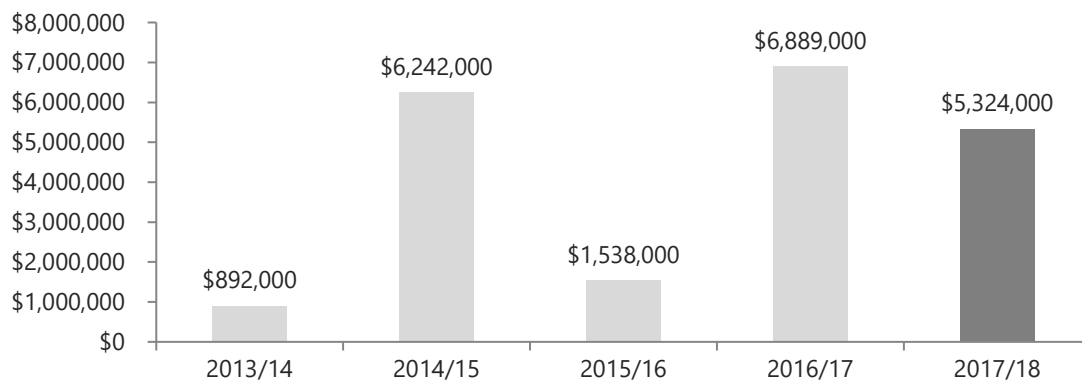
The year in review

Financial summary

Operating result

The operating result is the difference between Council's income and expenses. Council's income includes all revenue due to Council, such as rates, fees, grants, private works and interest. Expenses include all costs associated with running Council operations and maintaining assets. It does not include expenses of a capital nature, such as upgrading roads, purchasing equipment or developing buildings on Council owned land.

The result shown in the Comprehensive Income Statement for the period was a surplus of \$5,324,000. A comparison of Council's Operating Result from 2013/14 to 2017/18 is provided in the graph below.



The operating result for 2017/18 includes \$2.9 million of capital grants that have been received to expend on capital projects, such as road upgrades, Destination Tallangatta, the Corryong Airport improvements, the Great River Road project and the Tallangatta and Tintalra boat ramp upgrades.

The reduction in the operating result compared to the previous year is primarily attributable to the timing of receipt of grant funding. Financial Assistance Grants are paid by the Commonwealth Government to State Governments for distribution to local councils. The Victoria Grants Commission administers these payments, transferring individual council allocations to Victorian councils when the funds are provided by the Commonwealth Government. In 2016/17 Council received its full 2016/17 allocation as well as half of the 2017/18 allocation, totalling \$5.6 million in Financial Assistance Grants received during the financial year. In the current year Council received the balance of its 2017/18 allocation (approximately half) and an advance payment of half of its 2018/19 allocation. This resulted in Council receiving \$4.5 million in Financial Assistance Grants during 2017/18.

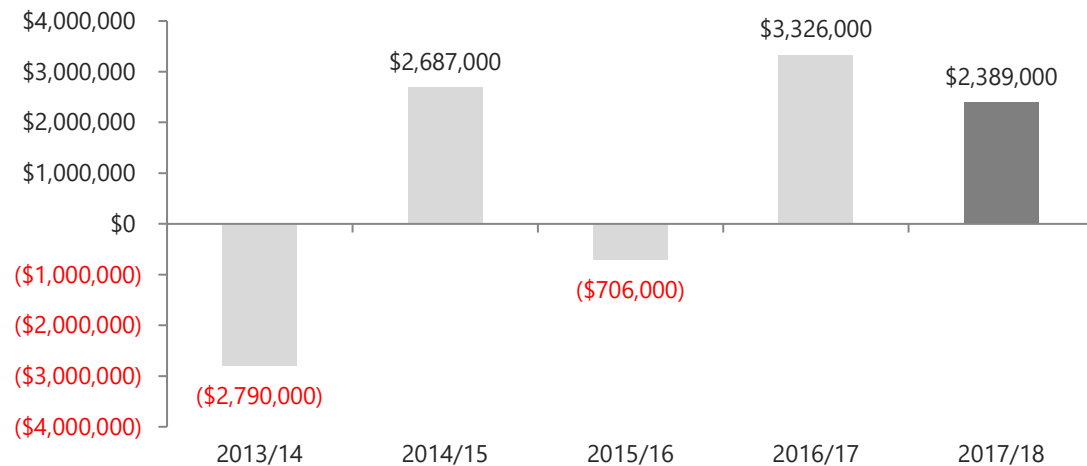
In addition, recurrent Commonwealth Government capital grants were \$0.8 million lower than 2016/17. This was due to an increased Roads to Recovery Program allocation being provided in 2016/17 consistent with the multi-year funding agreement.

The year in review

Financial summary (continued)

Adjusted underlying result

The adjusted underlying result is Council's operating result less any capital grants and non-cash contributions. The adjusted underlying result is a measure of financial sustainability. A comparison of Council's adjusted underlying result from 2013/14 to 2017/18 is provided in the graph below.



The underlying operating result for 2017/18 of \$2.4 million is significant. Whilst there has been measures implemented to improve Council's financial sustainability, a number of one-off factors have influenced this result. These factors have resulted in a more favourable financial result being presented than would otherwise be reported.

In the 2017/18 year Council received additional operating income in the following income categories:

- Kerbside collection charges as a result of conducting an internal audit of Council's rating system to ensure that properties were being charged correctly for the services they were receiving
- Competitive grant funding received to deliver projects throughout the Shire (e.g. Tallangatta netball court upgrade, planning feasibility study and supported playgroups)
- Interest income due to cash holdings being greater than originally anticipated.

Significant expenditure was incurred on repairing flood-damaged infrastructure with the majority of this expenditure expected to be reimbursed in 2018/19 through the Natural Disaster Financial Assistance (NDFA) program. There were also a number of areas of expenditure that were less than originally budgeted, particularly:

- Wage and salaries with Council operating with less staff than originally planned
- Depreciation expense \$541,000 less than budgeted due to delays in commissioning the new cell at the Corryong landfill and some infrastructure projects being finalised after the end of the financial year
- Contribution of \$500,000 to the Upper Murray Events Centre delayed to 2018/19.

The year in review

Major capital works

Destination Tallangatta upgrades

\$2,130,900

Several works have been completed as part of Destination Tallangatta, a \$5.3M project funded under the Australian Government's National Stronger Regions Fund. This multi-faceted project will make Tallangatta an even better place to live, work and visit with the upgrade of the Tallangatta Foreshore and Towong Street streetscape renewal. New and refurbished amenities and pathways, the installation of a bespoke playground and splash park and significant landscaping have enhanced Tallangatta's expansive foreshore. These works were completed in February 2018.

The Towong Street streetscape works consist of construction and upgrades to car parking, footpath and storm water drainage and transfer of the overhead electrical wires to underground. This will improve the drainage system and beautify the streetscape. These works will be completed by December 2019.

Road works including major patching and resealing

\$1,200,000

Council is responsible for maintaining over 1,100kms of local roads across the Towong Shire. A regular program of maintenance and renewal of the Shire's extensive road infrastructure is undertaken each year. Council has an Asset Management Plan that provides a structured approach to identifying roads that are in need of renewal, based on asset inspections, current asset condition and an assessment of future serviceability. In the most recent Community Satisfaction Survey, the community satisfaction rating on the condition of sealed local roads was reported at 58. This compares favourably with an average rating of 50 for similar rural councils.

Georges Creek Road upgrade

\$527,000

The construction of stage five (located 10km toward Old Tallangatta) of the Georges Creek Road upgrade was completed in May 2018. Widening and sealing key sections of the road and associated culverts and removing trees continue to improve and make safer this linkage between the North and South of the Shire. This long term project remains a priority for Council, with stage six of the Georges Creek Road upgrade scheduled for 2019/20.

Corryong Airport upgrade

\$485,000

Works commenced in 2016/17 on the \$2.2M upgrade of the Corryong airport, including the resealing of the runway and installation of pilot activated lighting. The project, which is being delivered in partnership with the Victorian Government, will improve access to the Upper Murray for emergency services, including air ambulances and fire fighting activities, as well as attract increased recreation and tourism aviation activity. The infrastructure works for this project were completed in March 2018.

Corryong Swimming Pool upgrade

\$429,000

A new splash park for the children, upgraded change rooms, new family change room, seating and shade (natural and infrastructure) are all key features of the Corryong Swimming Pool upgrade. Improvements also included renewal of footpaths and pool tiling and the creation of two disabled parks at the entrance to the swimming pool. These works were completed in November 2017.

Granya Streetscape

\$325,000

The Granya streetscape project consists of construction of storm water pipes, drainage and kerbs at Conness Street, Webb Street and Carlyle Street Granya. This project aimed to improve the drainage system and beautify the streetscape. Works were completed in June 2018.

Eskdale Walking Path

\$160,000

The construction of a 1.25k walking path in Eskdale between the centre of town and the Eskdale Recreation Reserve and a pedestrian bridge over Little Snowy Creek was completed in November 2017. This new walking path provides safer access to recreational facilities for all community members, particularly for local children.

Walwa Streetscape

\$130,440

The first stage of a streetscape revitalisation commenced in Walwa's Main Street with works undertaken to beautify the streetscape, provide safer pedestrian crossing points and upgrade storm water drainage. The upgrade to the storm water infrastructure has been prioritised to alleviate flooding issues in the town.

The year in review

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 relies on suitable climatic conditions (particularly agriculture, forestry and tourism) are further factors which have an impact on our sustainability.

Addressing financial sustainability

Our organisation has long recognised the risks to our long-term sustainability and sought to mitigate the underlying causes. These sustainability risks were acknowledged in the 2009 'Whelan Report' which presented a very low sustainability rating for our organisation and the 2016 Local Government: 2015–16 Audit Snapshot from the Victorian Auditor-General which reported that financial sustainability issues are emerging for the cohort of 19 small shire councils (of which Towong is one).

Over this time, we have refined our long-term financial plan to give us a clear picture of our financial future, while implementing a systematic and aggressive cost reduction program to bring Council to a 'break-even' underlying net result (i.e. this means our operating expenditure equals operating income) and ensure there are sufficient funds available for infrastructure renewal. The extensive cost reduction program has delivered significant savings with changes to the organisational structure and operating with less staff (savings of \$350,000 pa), changes to the way services are delivered (e.g. bringing garbage collection services in-house, with a saving of \$70,000 pa) and review of ongoing contracts and expenditure that support Council operations (for example, motor vehicles, banking services, utilities, printing, advertising, etc.).

External factors

In 2014/15 and 2015/16 Council's financial position was further challenged with decisions by other levels of government:

- the Federal Government's freeze on the indexation of Financial Assistance Grants to local government
- the Victorian Government's introduction of the Fair Go Rates System from 1 July 2016 (rate capping)

The indexation freeze on Financial Assistance Grants 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.

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 sustainability.

Unlike larger councils who can generate income through parking fines, development contributions and levies, councils like Towong 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, maintain and renew infrastructure at current levels and return to a break-even underlying result.

The year in review

Higher rate cap applications

In preparing the draft budget each year, Council's long term financial modelling is updated to establish the rate increase required to ensure that Council could sustainably deliver services and maintain and renew infrastructure at current levels into the future.

For the 2016/17 year 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 this was greater than the 2.5% rate cap announced by the Minister for 2016/17, an application was made to the Essential Services Commission (ESC) for a higher rate cap of 6.34%.

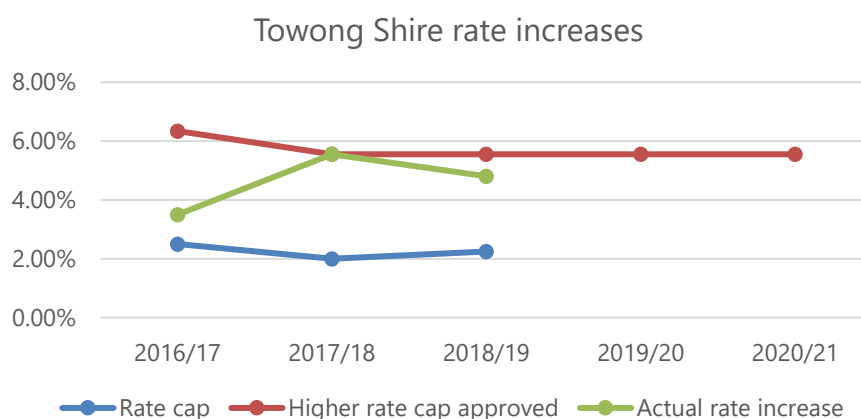
The ESC conducted a comprehensive review and analysis of Council's financial data and approved a higher rate cap of 6.34% for the 2016/17 financial year. The ESC stated "that the higher cap is consistent with Towong's well developed long-term financial plan to deliver sustainable outcomes in services 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."

After continued financial constraint, the modelling was updated for the development of the 2017/18 budget. The updated financial modelling indicated that a rate increase of 5.55% was now required each year to be financially sustainable. Accordingly, Council submitted an application to the ESC for a higher rate cap of 5.55% for a four-year period. The ESC again conducted a comprehensive review of Council financial performance and extended the review to cover community engagement practices. In July 2017, the ESC announced that Council's application for a higher rate cap (5.55%) was approved for the 2017/18 financial year and the following three years.

Adopted budgets

Through a range of community engagement activities Council has listened to feedback about the financial pressures facing ratepayers and the need for a basic level of services for community members. Council has continued to maintain a focus on reducing expenditure where possible and considering alternative revenue opportunities.

Where Council can substantiate a lower rate increase, Council has adopted a rate increase that is less than the approved higher rate cap. This was possible in both 2016/17 and 2018/19 with rate increases of 3.5% (approved higher rate cap 6.34%) and 4.8% (approved higher rate cap 5.55%) respectively, as displayed in the following graph.



The year in review

Ongoing financial sustainability

Based on a rate cap of 2%, Towong's financial modelling demonstrates that Council would experience increasing underlying deficits over coming years. 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 2020.

In order to address this financial position, Council has implemented short term measures to manage its liquidity by:

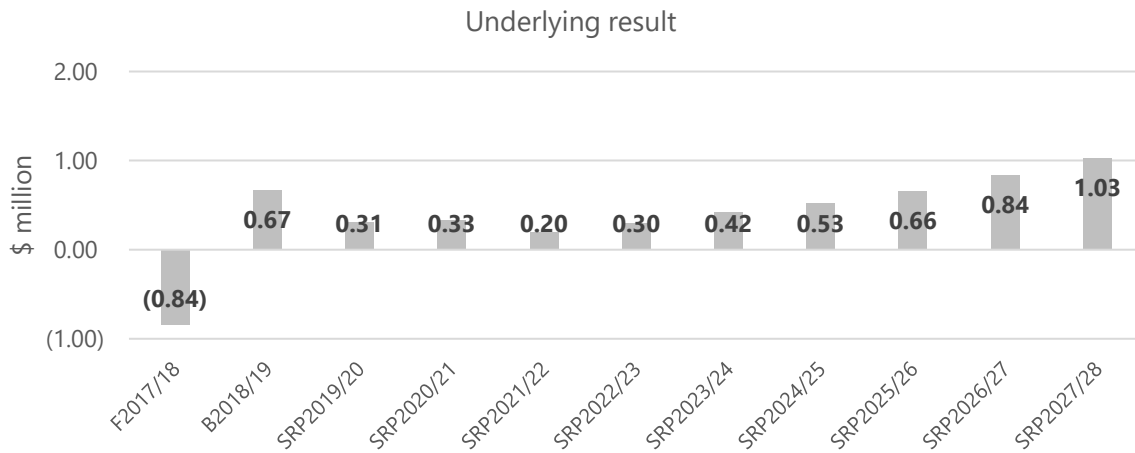
- Seeking approval for higher rate caps from the Essential Services Commission
- Continuing the expense reduction program to deliver services more efficiently
- Engaging with community members regarding basic services provided
- Reducing maintenance and asset renewal of its extensive infrastructure network (primarily roads and bridges)

Council is balancing the capacity of ratepayers to pay increased rates with the need to provide an appropriate level of 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. 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.

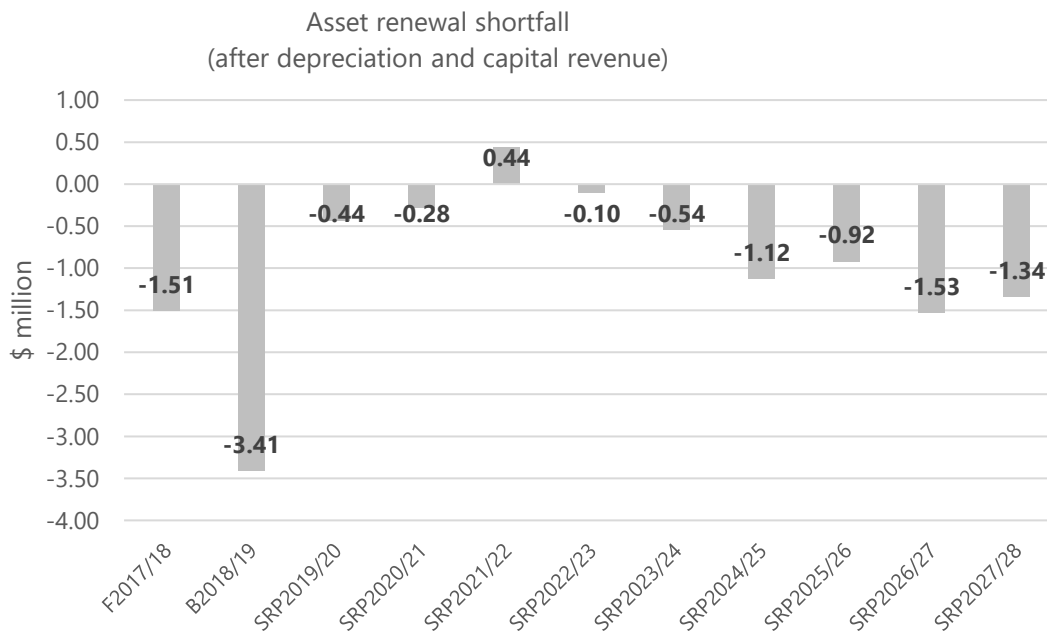
Council has worked closely with Rural Councils Victoria to present a case to the State Government for increased funding for services for all rural communities. Council's Chief Executive Officer was a member of the working group that progressed the Rural and Regional Councils Sustainability Program. This program was established to review the sustainability challenges of rural councils and identify options for improving outcomes for rural communities. Recommendations from this are being considered by the Victorian Government. The primary initiative progressed has been the introduction of the Victorian Government's \$20M Rural Council Transformation Program. The Victorian Government is seeking significant projects that result in services being shared across municipalities, are scalable and will transform the local government sector. Potential options are being discussed with councils in North East Victoria. Applications for funding close in November 2018.

In preparing the final Budget and Strategic Resource Plan for 2018/19, Council adopted a rate increase of 4.8% for 2018/19 and forecast a rate increase of 4.8% for each of the following nine years to be financially sustainable and to have sufficient cash reserves to meet future service delivery and asset renewal needs.

Based on a 4.8% rate increase for the next ten years, the underlying surplus over the long-term financial plan meets the target of a 'break-even' underlying net result position as displayed in the following graph.



This small surplus will be required to meet Council’s asset renewal requirements in future years as the extensive infrastructure network (comprising roads, bridges, playgrounds, etc.) requires renewal and upgrade. The following graph demonstrates the level of funds required from other levels of government or ratepayers in order to renew these assets when required.



The year in review

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 rate 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, UM2030 Vision Plan)
- Construction of new recreational facilities and multi-purpose centres throughout the Shire (Cudgewa, Mitta Mitta, Tallangatta, Tallangatta Valley, Walwa)
- Construction of a new Library, Early Years and Community Centre in Tallangatta
- Progression of a Domestic Wastewater Management Plan to enable additional residential development in sought after areas of the Shire
- C25 'Rural Living' Planning Scheme Amendment

Many of these projects are designed to improve the liveability in Towong Shire to ensure that residents and potential residents consider Towong an attractive place to be.

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.

We are actively addressing our concerns by:

1. Continuing to engage with Australian 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. Consulting with our communities about their expectations for the delivery of Council services
4. Partnering with Rural Councils Victoria to identify opportunities to improve the sustainability of rural councils and their communities

Our Council

Councillors

Councillors commenced their four-year term on 22 October 2016. This term will end with the Local Government election on 24 October 2020.



Cr Aaron Scales, 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 three children. Aaron studied in Law, Accounting and Hospitality/Tourism and has completed a Master in Business Administration. He is currently the owner and manager of a hotel. This is Cr Scales' second term as Councillor and he was elected Mayor on 14 November 2017 for a 12 month term.



Cr David Wortmann, Deputy Mayor

First elected 29 November 2008

Cr David Wortmann has lived in Granya all his life, is married and has two children. He and his wife operate a school bus service. He also runs a beef and sheep farm. David was re-elected to the Council on 22 October 2016 and now serves his third term. Cr Wortmann has served three consecutive terms as Mayor (2014/15, 2015/16, 2016/17) and currently serves as the Deputy Mayor.



Cr Jennie Star

First elected 22 October 2016

Cr Jennie Star has called the Towong Shire home for the past 27 years, has four adult children and, with her husband, owns and operates a mixed beef and fine wool business in the Cudgewa Valley. Cr Star has a Bachelor of Education in Environmental Studies and has completed tertiary studies in Information Technology.



Cr Peter Tolsher

First elected 22 October 2016

Cr Peter Tolsher moved to Tallangatta in 1975, married a local, raised two children and currently lives in Tallangatta. Cr Tolsher has been involved in the water industry for over 30 years, is a member of the Australian Standards Committee for Sludge and is a past Director for the Water Industry Operator Association of Australia. Peter is currently the Senior Manager of Operations Central at North East Water.



Cr Andrew Whitehead

First elected 22 October 2016

Cr Andrew Whitehead has been a resident of Towong Shire for over 40 years and is married with four children. He runs a beef and sheep farm and also works as a part time mechanic. Cr Whitehead is involved in numerous community groups in the Upper Murray.

Our people

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, ensures that the priorities identified in the Council Plan are achieved and that day-to-day responsibilities 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 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 joining Council Jo worked 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 and the Australian Institute of Company Directors.

Our people

Organisational structure

Chief Executive Officer Juliana Phelps	
Executive Services Manager - vacant Executive and Councillor support	
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 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 Risk management and insurance Governance Human resources Customer service Information technology Occupational health and safety Libraries Communications Community engagement Communications and media
Planning Manager – Scott Taylor Strategic and statutory land-use planning	
Economic and tourism development Manager – Alicia Keogh Business support Agricultural diversity Visitor information services Event support	

Our people

Workforce statistics

A summary of the number of Council staff, as at 30 June 2018, by key result area, employment type and gender is set out below.

Key result area	Full time		Part time		Casual		Total
	Male	Female	Male	Female	Male	Female	
Organisational improvement	3	7	-	13	-	6	29
Community wellbeing	-	1	-	9	1	13	24
Asset management	27	-	2	2	4	5	40
Land-use planning	1	-	-	1	-	-	2
Environmental sustainability	3	-	-	-	1	-	4
Economic and tourism development	-	1	-	3	-	-	4
	34	9	2	28	6	24	103

A summary of the number of council staff, as at 30 June 2018, by employment classification and gender is set out below.

Employment classification	Male	Female	Total
Band 1	0	5	5
Band 2	6	2	8
Band 3	14	5	19
Band 4	10	9	19
Band 5	3	7	10
Band 6	3	8	11
Band 7	2	2	4
Band 8	2	3	5
Band not applicable	2	20	22
	42	61	103

Full time equivalent (FTE) Council staff*	Male	Female	Total
All permanent filled positions	33.61	26.86	60.47

*An **FTE** is a measurement of the hours worked by one employee on a full-time basis. It shows how many employees an organisation has, assuming all employees work full time. In reality, Council employs part-time staff, which results in 103 employees in total.

Our people

Equal employment opportunity 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 based on 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 discrimination and harassment policy
- 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
- 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 *Local Government Act 1989* (the Act). The Act requires councils to prepare the following planning and reporting documents:

- A Council Plan within the six months after each general election or by 30 June, whichever is later
- A Strategic Resource Plan for a period of at least four years
- A Budget for each financial year
- An Annual Report in respect of each financial year

The following diagram outlines the key planning and reporting documents that make up the planning and accountability framework for local government, as well as Council's own long term strategic plans. It also shows that there are opportunities for community and stakeholder input and feedback at each stage of the planning and reporting cycle.

Planning			Reporting
Long term	Medium term	Short term	Annually
Long Term Financial Plan	Council Plan 2017 – 2021	Annual Budget	Annual Report <ul style="list-style-type: none"> ○ Report of operations ○ Financial statements ○ Performance statement
Community plans: <ul style="list-style-type: none"> ○ Tallangatta Tomorrow ○ UM2030 Vision Plan ○ Our Valley, Our Future ○ Our Bellbridge 	Strategic Resource Plan 2017 - 2021 Healthy Communities Plan 2017 – 2021 Planning Scheme Municipal Strategic Statement		
Incorporating input and feedback from: <ul style="list-style-type: none"> ○ Community workshops ○ Community surveys ○ Stakeholder engagement ○ Section 223 submissions 			

Our performance

Council Plan

The Council Plan 2017 – 2021 includes strategic objectives, strategies for achieving those objectives, indicators for monitoring the achievement of the objectives as well as a strategic resource plan. The following are the six strategic objectives detailed in the Council Plan:

1. Organisational improvement

Embed organisational excellence into our governance and management processes to deliver the best possible outcomes for our residents and ratepayers

2. Community wellbeing

Assist all residents to attain 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

Implement 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 environmental management into all our activities

6. Economic and tourism development

Expand 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 2017/18 year is reported in the following pages against the strategic objectives, strategies and indicators in the Council Plan 2017 - 2021. This report demonstrates Council's performance as follows:

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

Our performance

1. Organisational improvement

As such a small team delivering services across a large geographic area, we are constantly looking for ways to optimise the way we operate as an organisation to ensure maximum value is delivered to our community members.

Despite approval from the Essential Services Commission for a 5.55% higher rate cap, Council has limited the rate increase for 2018/19 to 4.8%, demonstrating our commitment to keeping the cost to our ratepayers to a minimum. We continue to strive for sound long-term asset management and financial planning, while positioning the organisation for a strong long-term future.

In 2017/18 Council worked with Alpine Shire Council to streamline long term paper based processes and implement cloud-based software across accounting and payroll systems. Launched on 1 July 2018, this change reduces the need for paper in the office, and speeds up approval processes. This has been a significant undertaking by our finance team which will have long-term benefits for many areas of the organisation, and will continue to be refined and optimised for greater efficiency.

Council continue to work collaboratively with Indigo Shire Council through the delivery of a Rates and Property shared service. We are continuing to investigate similar opportunities in other operational areas with other Councils to ensure efficiencies are being created where possible.

As the Secretariat of Rural Councils Victoria (RCV), Council plays an active role in creating a future vision for rural Victoria - developing policy, advocacy and value-add projects to ensure vibrant and sustainable rural communities. Our involvement with RCV also helps our staff to improve the outcomes we deliver to our own community.

Highlights

- Tracking ahead of schedule on key infrastructure projects
- Shift to cloud-based accounting and payroll software
- Advocacy for all rural communities in our role as Secretariat for Rural Councils Victoria
- Community Satisfaction Survey performance for community consultation achieved a score of 59 as compared to the state-wide result of 55

Challenges

- Ongoing asset management and financial planning to ensure costs to ratepayers are kept to a minimum
-

Our performance

1. Organisational improvement

Services delivered in 2017/18

Services	Description
Councillors, Chief Executive and associated support	This area of governance includes the Mayor, Councillors, Chief Executive Officer and associated support which cannot be easily attributed to the direct service provision areas.
Customer Service	This service provides Council with operational organisational support to Council, CEO and the Senior Management Group and acts as the main customer interface with the community. The service also assists with delivery of the communication and governance function 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, human resources, 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.

Council Plan progress report

Strategy and strategic indicator/s	Status	Comments
1.1 Continue to lobby for increased ongoing government funding support <ul style="list-style-type: none"> ○ <i>Work to be undertaken for the life of this Council Plan</i> 	In Progress	CEO represented Rural Councils Victoria on the working group for the State Government's \$1M Rural and Regional Council Sustainability Project. Advocacy work continued through Rural Councils Victoria.
1.2 Investigate new/additional funding streams with a view to reducing reliance on rate revenue (in conjunction with other small Councils) <ul style="list-style-type: none"> ○ <i>Work to be undertaken for the life of this Council Plan</i> 	In Progress	Audit undertaken of Kerbside collection service to ensure all properties receiving a service are being charged for the service.

Strategy and strategic indicator/s	Status	Comments
1.3 Improve service delivery and reduce costs through process improvement and shared services <ul style="list-style-type: none"> ○ <i>Work to be undertaken for the life of this Council Plan</i> 	In Progress	Implementation of common platform for accounting and payroll services progressed with Alpine Shire Council (live from 1 July 2018). Review of MOU with Indigo Shire Council for library support commenced.
1.4 Continue to improve our Long Term Financial Plan <ul style="list-style-type: none"> ○ <i>Work to be undertaken for the life of this Council Plan</i> 	In Progress	Annual update completed (to reflect current financial environment) as part of the 2018/19 Budget development process.
1.5 Deploy software that leverages improved IT infrastructure – finance and rates, human resources, asset management, environmental sustainability <ul style="list-style-type: none"> ○ <i>Work to be undertaken for the life of this Council Plan</i> 	In Progress	Implementation of a common platform for accounting and payroll services progressed with Alpine Shire Council (live from 1 July 2018). Rates and property software options analysis commenced. Review will be completed in 2018/19. Electronic Vulnerable Persons Register implemented.
1.6 Implement business improvements – Occupational Health and Safety, outdoor pools, saleyards, landfills and transfer stations <ul style="list-style-type: none"> ○ <i>Work to be undertaken for the life of this Council Plan</i> 	In Progress	Swimming pool review commenced. Community engagement planned for 2018/19 with a final report due in 2019. Corryong Saleyards Advisory Committee established to guide operations of facility. Funding secured to upgrade resource recovery infrastructure and e-waste facilities to reduce waste going to landfill. Safety Management System internal audit recommendations implemented.

Strategy and strategic indicator/s	Status	Comments
1.7 Undertake a review of Local Laws <ul style="list-style-type: none"> ○ <i>For completion by 2019</i> 	Not yet started	Scheduled for 2019.
1.8 Review services provided to the community and the cost Council (ratepayers) are willing to bear as part of Council Plan and Budget preparation <ul style="list-style-type: none"> ○ <i>Work to be undertaken for the life of this Council Plan</i> 	In Progress	Rate increase in 2018/19 reduced to 4.8% (from original forecast and approved higher rate cap of 5.55%).

Our performance

1. Organisational improvement

Strategic indicators	Target	Result 16/17	Result 17/18	Target achieved
Number of business improvements and shared services initiatives that achieve cost savings ¹	Increase	NA	8	Baseline established
Proportion of revenue secured from non-rates sources	Increase	\$12,021,000 ²	\$10,546,000	No
Percentage of customer requests resolved within one month	Increase	NA	92%	Baseline established

Service performance indicator

Service	Indicator	Performance Measure	Result 17/18
Governance	Satisfaction	Satisfaction with Council's consultation and engagement processes - <i>Community rating out of 100</i>	59 Increased compared to 2016 (52)

¹ Improvements include Finance system, Payroll system, Electronic Vulnerable Persons Register, Mobile phone review, Leave forms electronic storage, Kerbside waste, Electronic Kindergarten reports, Electronic enrolment for Long Day Care

² This indicator has been impacted by fluctuations in grant income such as *Roads2Recovery* funding and timing of Commonwealth Financial Assistance Grants

Our performance

2. Community wellbeing

The 2017/18 year focussed on developing collaborative partnerships with key stakeholders to deliver improved health and wellbeing outcomes for our community.

These partnerships included working closely with local health services and schools, neighbouring councils, community organisations and Victorian government departments to deliver programs such as Walk to School, My Dad is Awesome, The Resilience Project, Seniors Week and My Life My Disability. Each program was designed to meet a specific identified need in our community, and covered issues such as healthy lifestyles, respectful relationships, positive self-esteem, mental health, access to disability services and ice addiction.

Early prevention and intervention approaches were adopted to support young families and fathers to address children's behavioral issues and relationship development. Early Years services were expanded in the Bellbridge area, with Council welcoming the Albury Wodonga Community College to the Berringa Community Centre to introduce a long day care service for local families.

The partnership with the Tallangatta Neighbourhood Advisory Committee continued with a diverse range of programs delivered to support lifelong learning, employment pathways and community connectivity. In total, there were over 2,000 participants in programs in 2017/18.

A number of funding applications were made to upgrade recreational infrastructure and deliver programs to encourage residents to become more active and to support healthier lifestyle choices. Significant progress has been made on developing the next Municipal Health and Wellbeing Plan, which will be finalised in late 2018.

Highlights

- Secured a \$100,000 grant to upgrade the Eskdale Netball Courts and \$77,200 for a second netball court at Tallangatta
- Delivered a diverse range of funded FREEZA projects to address respectful relationships and youth resilience in Corryong and Tallangatta
- Partnered with Corryong Neighbourhood Centre to deliver The Resilience project, with both Tallangatta and Corryong Secondary Colleges in attendance
- Over 2,000 participants in a diverse range of learning programs through the Tallangatta Neighbourhood House
- Successful delivery of a fully-funded 'My Dad's Awesome' pilot project in Corryong

Challenges

- Attracting and retaining suitably qualified Early Years educators for Tallangatta Early Years Learning Centre
 - Unsuccessful submission to upgrade Eskdale Cricket Club's facilities. Council has made a second application for consideration by the State Government
-

Our performance

2. Community wellbeing

Services delivered in 2017/18

Services	Description
Community services	Family oriented support services including kindergartens, maternal and child health, immunisations and youth services. Community services 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	Public library services at two locations with a customer focus that caters for the cultural, educational and recreational needs of residents.
Swimming pools	Council provides two seasonally operated swimming pools at Corryong and Tallangatta. These pools operate from November to March each year. Council also provides a financial contribution to the community operated Eskdale pool.
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.

Council Plan progress report

Strategy and strategic indicator/s	Status	Comments
2.1 Develop the 2017-2021 Towong Shire Healthy Communities Plan ○ For completion by December 2018	In Progress	Draft Strategies and Action plan prepared. Workshops conducted with community organisations in February 2018.
2.2 Review immunisation services ○ For completion by December 2018	In Progress	Consultation with health services completed.
2.3 Review Maternal and Child Health Services ○ For completion by December 2018	In Progress	Draft scope prepared.

Strategy and strategic indicator/s	Status	Comments
2.4 Review options for delivery of swimming pool services, including consideration of a community based model ○ <i>For completion by December 2018</i>	In Progress	Plan for review and associated community engagement prepared.
2.5 Review library services and servicing of remote areas and where appropriate engage with other stakeholders to explore innovative solutions ○ <i>For completion by December 2019</i>	Commenced	Following community feedback, revised opening hours for the Tallangatta Library were piloted. Based on usage during the six-month pilot, a Saturday service was approved by Council.
2.6 Provide guidance to the Corryong Memorial Hall Committee to update their masterplan and seek funding for hall improvements ○ <i>For completion by December 2019</i>	In Progress	Meetings held and potential funding programs identified.
2.7 Establish a Tallangatta Neighbourhood House Advisory Committee to deliver an annual program of activities with a view to building standalone capability ○ <i>Committee established by June 2019</i>	Complete	Advisory Committee established and programs delivered to over 2,000 participants.
2.8 Seek funding to upgrade Eskdale Cricket facilities ○ <i>Facilities upgraded by June 2019</i>	In Progress	Initial funding application unsuccessful.
2.9 Continue to pursue extended child care services across the Shire ○ <i>Work to continue for the life of this Council Plan</i>	In Progress	Facilitated introduction of Long Day Care service in Bellbridge. Secured funding to appoint a Supported Playgroup Facilitator.
2.10 Encourage development of proactive community groups to progress local initiatives (e.g. funding for improvements at Bethanga Recreation Reserve, branding of localities) ○ <i>Work to be undertaken for the life of this Council Plan</i>	In Progress	Tallangatta Neighbourhood House Advisory Group established. Corryong Disability Network established.

Strategy and strategic indicator/s	Status	Comments
2.11 Seek funding to upgrade netball courts in Tallangatta, Cudgewa and the Tallangatta Valley ○ <i>Work to be undertaken for the life of this Council Plan</i>	In Progress	Secured \$77,200 for Tallangatta's second netball court.
2.12 Implement improvements to early years' services across the Shire ○ <i>Work to be undertaken for the life of this Council Plan</i>	In Progress	Kindergarten participation rates second highest in Northeast Victoria and Ovens Murray regions.
2.13 Implement the Towong Shire Access and Inclusion Plan to support people with a disability ○ <i>Work to be undertaken for the life of this Council Plan</i>	In Progress	Access and Inclusion Plan currently being implemented.
2.14 Seek funding for recreation facility upgrades / renewals (e.g. netball courts and shade sails) ○ <i>Work to be undertaken for the life of this Council Plan</i>	In Progress	Funding applications submitted for the upgrade of netball courts in Cudgewa and Tallangatta Valley.
2.15 Actively participate in the Towong Alliance with the three local health services ○ <i>Work to continue for the life of this Council Plan</i>	In Progress	Work undertaken with the Towong Alliance to develop the Municipal Health and Wellbeing Plan.
2.16 Develop a four-year Youth Plan and deliver FREEZA and other responsive youth programs ○ <i>Work to be undertaken for the life of this Council Plan</i>	In Progress	Annual Youth Plan completed and a number of diverse programs delivered in Corryong and Tallangatta.
2.17 Seek funding to renew/upgrade playgrounds ○ <i>Work to be undertaken for the life of this Council Plan</i>	In Progress	Funding application submitted for an inclusive playground at the Tallangatta Early Years Learning Centre.
2.18 Seek funding to upgrade skate parks in Bellbridge, Corryong and Tallangatta ○ <i>Work to be undertaken for the life of this Council Plan</i>	In Progress	Secured \$10,000 to upgrade landscaping at the Tallangatta Skate park.

Strategy and strategic indicator/s	Status	Comments
2.19 Participate in community-led or government-led initiatives with the aim of reducing family violence ○ <i>Work ongoing for the life of this Council Plan</i>	In Progress	Funding application submitted to support community-led initiatives.
2.20 Facilitate an annual Seniors Week activity ○ <i>To be delivered each year of the life of this Council Plan</i>	In Progress	Successful event held in October 2017 with 190 seniors attending a James Blundell concert.
2.21 Advocate for appropriate transport options for community members ○ <i>Work to be undertaken for the life of this Council Plan</i>	Not yet started	Options are being explored.
2.22 Investigate options for delivery of stage two of Our Bellbridge ○ <i>For completion by June 2020</i>	Not yet started	Programmed for 2018/19.
2.23 Update recreation masterplans to determine future recreation priorities ○ <i>For completion by June 2021</i>	In Progress	Funding application submitted to support planning facilitation.

Our performance

2. Community wellbeing

Strategic indicators	Target	Result 16/17	Result 17/18	Target achieved
Vaccination of children	Maintain	127	115	No
Participation in the Maternal and Child Health service	Maintain	82.39%	71.58%	No
Library collection usage	Increase	13.09%	12.17%	No
Utilisation of aquatic facilities	Increase	16,322	11,708	No
Level of participation in Seniors Week event	Increase	80	190	Yes
Level of participation in youth events	Increase	655	610	No

Service performance indicators

Service	Indicator	Performance Measure	Result 17/18
Maternal and Child Health (MCH)	Participation	Participation in the MCH service - <i>Percentage of children enrolled who participate in the service</i>	71.58%
MCH	Indigenous participation	Participation in MCH service by Aboriginal children - <i>Percentage of Aboriginal children enrolled who participate in the service</i>	57.14%
Libraries	Participation	Active library members - <i>Percentage of the municipal population that are active library members</i>	12.17%
Aquatic Facilities	Utilisation	Utilisation of aquatic facilities - <i>Number of visits to aquatic facilities per head of municipal population</i>	1.96

Our performance

3. Asset management

Following a major flood event in October 2016, Council and locally engaged contractors worked to repair and restore damaged culverts and roads in the western end of the Shire. The majority of the restoration works will be funded under the National Disaster Financial Assistance Scheme.

Council's commitment to process and procurement efficiencies resulted in refinements to Council's Road Crews and Parks / Gardens Crews operations in peak periods. This has resulted in improvements within the parks and gardens areas including additional plants and landscaping, and improved response times due to flexible staffing arrangements between teams.

The ongoing implementation of the stock grid policy has improved service delivery across our unsealed road networks with stock grids replaced, removed and repaired throughout the year.

Council has been successful in attracting state and federal competitive grants to complement Council funding to deliver the following infrastructure projects across the Shire:

- Carlyle Street Streetscape, Granya
- Hanson Street Crossing at the Galleon Park, Corryong
- Hanson Street / Kiell Street intersection, Corryong
- Swimming Pool / Splash Park, Corryong
- Main Street / Hanna Street intersection, Walwa
- Shelley Walwa Road sealing
- Omeo Highway / Mitta North Road intersection, Eskdale
- Eskdale Recreation Reserve strategic path link Eskdale
- Foreshore upgrades, Tallangatta
- Towong Street Central Business District Streetscape, Tallangatta
- Great River Road wayside stops and Art Works
- Corryong airport upgrade

Major projects completed in 2017/18 also included:

- Sealing of Wilson Street, Walwa
- Georges Creek Road upgrade 1.5km of widening and sealing works
- Road resealing and major patching, footpath and kerb replacements
- Pedestrian Bridge over Little Snowy Creek, Eskdale

Highlights

- Destination Tallangatta Streetscape upgrade of Central Business District underway
- Corryong Swimming Pool upgrade
- Granya Streetscape upgrades
- Major patching and reconstruction of sealed roads
- Score of 58 for Towong compared to 49 for small rural Councils measuring satisfaction with local road performance

Challenges

- Restoration of infrastructure damaged in the flood event of 2016 whilst completing the annual maintenance program
-

Our performance

3. Asset management

Services delivered in 2017/18

Services	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"> - roads, bridges, footpaths - buildings - drainage - recreation and open spaces.
Infrastructure	<p>This service maintains Council infrastructure, vehicles, plant and equipment to meet functional and safety needs.</p>

Council Plan progress report

Strategy and strategic indicator/s	Status	Comments
3.1 Deliver Corryong Airport upgrade ○ For completion by December 2018	Complete	New terminal building, mixing shed and car parking constructed, runway lighting installed and landscaping undertaken.
3.2 Deliver the Corryong Swimming Pool upgrade ○ For completion by December 2018	Complete	Amenities, kiosk, footpaths and main pool upgraded, and splash park constructed.
3.3 Deliver Eskdale Netball Courts upgrade project ○ For completion by June 2019	In Progress	<p>Project re-scoped to enable delivery within the available budget.</p> <p>Tenders prepared.</p>
3.4 Deliver the Great River Road project ○ For completion by June 2019	In Progress	<p>Site constructions underway.</p> <p>Pavilions and seating construction complete.</p> <p>Artist engaged to prepare art installations.</p>

Strategy and strategic indicator/s	Status	Comments
3.5 Deliver the Destination Tallangatta project: foreshore upgrade, path links, playground, road improvements, retail precinct upgrade ○ <i>For completion by June 2020</i>	In Progress	Foreshore works completed. CBD works underway. Caravan park tender documentation prepared.
3.6 Deliver town improvement and beautification program: year 1 Walwa, year 2 Granya, year 3 Bethanga, year 4 Mitta Valley towns ○ <i>Program developed by June 2018 and implemented over the life of the Council Plan</i>	In Progress	Walwa - Sealing of Wilson Street complete, CBD upgrades underway. Granya Streetscape upgrade complete. Bethanga- scoping and concept designs underway.
3.7 Liaise with VicRoads to consider road safety improvements throughout the Shire (e.g. upgrade Y-intersections to T-intersections) ○ <i>Work to continue over the life of the Council Plan</i>	Ongoing	Omeo Highway and Mitta North Road intersection complete. Murray River Road and Granya Road intersection undergoing review.
3.8 Deliver the adopted Capital Works program ○ <i>For completion by 2021</i>	In Progress	Reseal and Major Patching program complete. Granya Streetscape complete. Georges Creek Road complete. Pedestrian bridge over Little Snowy Creek, Eskdale complete
3.9 Work with VicRoads and other stakeholders to progress the upgrade/sealing of the Benambra-Corryong Road ○ <i>Work to be undertaken for the life of this Council Plan</i>	Ongoing	Meetings with VicRoads conducted. Updates to the Economic Benefits Study.
3.10 Continue Georges Creek Road upgrade and seek funding for improvements to the intersection with River Road ○ <i>Work to be undertaken for the life of this Council Plan</i>	In Progress	Stages 5A and 5B of the Georges Creek Road upgrade completed (1.5kms).

Strategy and strategic indicator/s	Status	Comments
3.11 Seek funding and deliver the strategic path links program ○ <i>Work to be completed over the life of the Council Plan</i>	Ongoing	Pathway from Eskdale to Recreation Reserve completed. Akuna Avenue pathway completed. Contract for the construction of a path from Cudgewa to Recreation Reserve tendered.
3.12 Complete condition assessments for road assets and non-road assets (e.g. buildings, playgrounds) ○ <i>Condition assessments for road and non-road assets completed by 2021</i>	Ongoing	Roads and Bridges condition assessments completed in 2017. Playground condition assessments completed. Storm water drainage condition assessments in progress.
3.13 Pursue suitable funding to improve Lake Road from Bellbridge to Kurrajong Gap Road ○ <i>Work to be undertaken for the life of this Council Plan</i>	In Progress	Submission prepared for next funding round of the Black Spot Funding Program.
3.14 Improve town entrances and signage at key locations throughout the Shire ○ <i>Work to be completed over the life of the Council Plan</i>	In Progress	New town entrance signage for Eskdale, Dartmouth and Mitta Mitta completed.
3.15 Assess critical storm water areas in Bethanga for low flow piping ○ <i>For completion by June 2019</i>	In Progress	Designs being prepared.
3.16 Investigate options for the Bethanga Bay Recreation Reserve ○ <i>For completion by June 2020</i>	Not yet started	Programmed for 2018/19.

Our performance

3. Asset management

Strategic indicators	Target	Result 16/17	Result 17/18	Target achieved
Sealed local roads maintained to condition standards	Maintain	99.5%	99.5%	Yes
Number of customer requests for unsealed roads	Decrease	119	107	Yes
Condition assessments completed in accordance with Asset Management Plan	100%	100%	100%	Yes
Projects scheduled in Council Plan delivered	100%	100%	93% ¹	No

Service performance indicator

Service	Indicator	Performance Measure	Result 17/18
Roads	Satisfaction	Satisfaction with sealed local roads - <i>Community rating out of 100</i>	58

¹ Completion of one remaining project subject to final lease negotiations (infrastructure construction complete)

Our performance

4. Land-use planning

Towong Planning Scheme Amendment C25 was submitted to the Victorian Minister for Planning for approval. One of the largest planning scheme amendments prepared by Council, it seeks to create additional rural residential opportunities at key locations in the Shire. Council Officers are currently responding to requests for additional information. Once supplied the Minister will be in a position to decide on the amendment.

In June 2018, Council appointed a new Manager Planning. This full-time role is shared with Alpine Shire Council to lead planning services across the two municipalities with the support of local staff.

A total of 59 planning permits were approved during 2017/18, in accordance with local and State Planning policies, as well as 80 building permits (61 domestic and 19 non-domestic applications). Environmental health inspections carried out during this time included 7 caravan parks, 105 food premises and 15 health premises.

Planning policies are designed to minimise environmental impact including the retention of agricultural production. Planning policies also seek to anticipate and respond to the needs of existing and future communities through provision of zoned land which recognise and contribute to health and safety, economic viability, energy efficiency, prevention of pollution to land, water and air, and the protection of natural resources.

Highlights

- Submission of Amendment C25 to the Towong Planning Scheme to the Minister for Planning for approval
- Implementation of a shared service arrangement with Alpine Shire Council for planning services

Challenges

- The planning team (of two) had a vacancy for a significant period and this had the effect of slowing planning application processing times and limiting activity on strategic planning projects
 - Increased enforcement activity
-

Our performance

4. Land-use planning

Services delivered in 2017/18

Services	Description
Planning	The 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 wellbeing by coordinating food safety support programs, Tobacco Act 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.

Council plan progress report

Strategy and strategic indicator/s	Status	Comments
4.1 Finalise the Rural Activity Zone amendment ○ Completed by June 2018	In progress	The amendment was sent to the Minister who has requested further information. This is currently being supplied.
4.2 Analysis of the residential and industrial needs of Tallangatta and identification of future residential and industrial development options for the town ○ Completed by June 2018	Commenced in June 2018 by Urban Enterprise Pty Ltd.	Planning officers are assisting the consultants as required. Completion expected late 2018.

Strategy and strategic indicator/s	Status	Comments
4.3 Section 12B Whole of Scheme Review ○ For completion by June 2019	Not yet started	At the beginning of August 2018 the Minister for Planning approved planning scheme amendment VC148 to all planning schemes in Victoria. This amendment entails a major restructuring of the planning scheme ordinances and involves further detailed changes to be made to each planning scheme in conjunction with the Department of Environment, Land, Water and Planning. This project may supersede the intent of the Section 12B amendment.
4.4 Creation of Develop Contributions Policy ○ For completion by June 2019	Not yet started	Programmed for early 2019.
4.5 Anomalies/Corrections Amendment ○ For completion by June 2019	Not yet started	Programmed for early 2019.
4.6 Potable Water Supply Catchment ESO Amendment ○ For completion by June 2019	Not yet started	Programmed for early 2019.
4.7 Roadside Vegetation ESO/VPO Amendment ○ For completion by June 2019	Not yet started	Programmed for early 2019.
4.8 Translation of Upper Murray Flood Study to new Floodway Overlay and Land Subject to Inundation Overlay ○ For completion by June 2020	Not yet started	Relies upon the completion of the Flood Study by the North East Catchment Management Authority.
4.9 Tallangatta Central Business Area Mixed Use Zone Amendment ○ For completion by June 2020	Not yet started	Programmed for 2019.
4.10 Rewrite of Municipal Strategic Statement and Local Planning Policies including new 'Extractive Industry Haulage Route' Local Planning Policy ○ For completion by June 2020	Not yet started	Programmed for 2019.

Strategy and strategic indicator/s	Status	Comments
4.11 Clause 52.17 Schedule – Nominate Blackberry as Specified Weed ○ <i>For completion by June 2020</i>	Not yet started	Programmed for 2019.
4.12 Bushfire Management Overlay Schedules ○ <i>For completion by June 2020</i>	Not yet started	Programmed for 2019.
4.13 Wastewater Treatment Plant Environmental Significance Overlay (ESO) Amendment (Bellbridge, Corryong and Tallangatta) ○ <i>For completion by June 2020</i>	Not yet started	Expected to commence in 2019. Involvement of North East Water will be required.
4.14 Back zone areas of General Residential Zone at Corryong to Low Density Residential Zone ○ <i>For completion by June 2020</i>	Not yet started	Programmed for 2019.
4.15 Significant Landscape Overlay Amendment (as recommended by regional landscape study) ○ <i>For completion by June 2020</i>	Not yet started	Programmed for 2019/20.
4.16 Heritage Places Assessment and Heritage Overlay Amendment ○ <i>For completion by June 2021</i>	Not yet started	Programmed for 2019/20.
4.17 Tom Groggin Rezoning ○ <i>For completion by June 2021</i>	Not yet started	Programmed for 2019/20.

Our performance

4. Land-use planning

Strategic indicators	Target	Result 16/17	Result 17/18	Target achieved
Time taken to decide planning applications ¹	Maintain	36 days	63 days	No
Planning applications decided within required time frames	Maintain	77.63%	50.77%	No
Percentage of scheduled planning scheme amendments completed	100%	Nil	100% ²	Yes

Service performance indicator

Service	Indicator	Performance Measure	Result 17/18
Statutory planning	Decision making	Council planning decisions upheld at VCAT <i>- Percentage of planning application decisions subject to review by VCAT and that were not set aside</i>	100%

¹ The median number of days between receipt of a planning application and a decision on the application

² Amendment C25 lodged with the Minister

Our performance

5. Environmental sustainability

A kerbside waste audit was conducted to ensure the service delivered to residents and businesses aligned with the Kerbside Waste Management Policy. The audit identified an additional 294 sites that are now accessing the kerbside waste service.

The Waste Services review has been delayed with China's decision to increase the threshold for acceptance of contaminated recycling materials. The new thresholds are not achievable with current Australian household recycling practices. Radio Frequency Identification Devices (RFID) are being fitted to all new bins with scanners being sourced to enable reading of the devices. Three new tyre storage bins (small, medium and large) were installed at the Tallangatta Transfer Station to enable more efficient sorting of discarded tyres.

Council continues to plant new trees throughout the Shire in line with Council's Tree Management/Strategy Plan. Council also endorsed the Beating the Heat Climate Change Resilient Trees Species list, to reduce the impact of the natural environment on infrastructure such as drainage, roads and footpaths. Recommended trees demonstrate greater longevity and tolerance to climate change induced events such as drought, heat wave, wind, water logging and pollution.

Forestry management continues to ensure appropriate standards are maintained for commercial timber harvesting operations on private land. Fire prevention activities include attendance at training conducted by the Country Fire Authority as Council vehicles and plant can be called upon during bushfire or other emergency incidents.

Significant work was undertaken by the Municipal Emergency Management Planning Committee in reviewing and updating the Towong Shire Municipal Emergency Management Plan to support emergency planning, response, recovery and relief operations.

Council adopted a new Domestic Animal Management Plan 2017 - 2021, in accordance with the Domestic Animals Act 1994. The plan sets out a formalised approach to increase the awareness of domestic animal management practices within Towong Shire. Council recognises the value domestic pets contribute in making Towong Shire a vibrant and liveable Shire.

Highlights

- Completion of second landfill waste cell at Corryong
- Completion of the Kerbside waste audit
- Successful in obtaining a Resource Recovery Infrastructure Fund grant for \$40,000

Challenges

- Maintaining Council's recycling program given changes to contamination thresholds for recyclable materials
 - Delays associated with the commissioning of the new landfill cell in Corryong
-

Our performance

5. Environmental sustainability

Services delivered in 2017/18

Services	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 landfill management.
Emergency Management	This service provides Council's emergency management planning function in collaboration with the Municipal Emergency Management Planning Committee.
Animal Control	Council provides animal management services including dog and cat collection, 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.

Council plan progress report

Strategy and strategic indicator/s	Status	Comments
5.1 Research options for Mitta Mitta town water with North East Water ○ <i>For completion by June 2018</i>	Postponed	Postponed due to staff changes. To be completed in 2019.
5.2 Continue to explore solutions for Bellbridge Wastewater expansion in conjunction with North East Water ○ <i>For completion by June 2018</i>	In Progress	North East Water are investigating a possible solution. Ongoing in 2019.
5.3 Review waste services across the Shire (including green waste, hard waste, recycling and rubbish bin options) ○ <i>Completed by June 2018</i>	In Progress	Postponed due to China's changes to the acceptance of contaminated recycling. Green waste review underway.

Strategy and strategic indicator/s	Status	Comments
5.4 Continue to lobby for the expansion/improvement of North East Water's Tallangatta wastewater plant to accommodate Tallangatta's future development and the elimination of odour emanating from the plant ○ <i>For completion by June 2019</i>	In Progress	North East Water have the expansion upgrade included in new Water Plan.
5.5 Maintain current and future landfills to best practice and investigate improvements to operations (e.g. covers) ○ <i>Work to continue for the life of this Council Plan</i>	In Progress	New landfill hole is compliant with best practice.
5.6 Continue to implement noxious weed control along roadsides with available funding and lobby for additional funding ○ <i>Work to continue for the life of this Council Plan</i>	In Progress	Blackberry spraying complete for 2017/18. Funding obtained to assist in 2018/19.
5.7 Encourage adjoining landowners (including Department Environment, Land, Water and Planning and Parks Victoria) to implement weed controls on their land ○ <i>Work to continue for the life of this Council Plan</i>	Ongoing	Coordinating roadside spraying with Parks Victoria Good Neighbour Program.
5.8 Investigate and seek funding for solar street lighting in key locations ○ <i>Work to continue for the life of this Council Plan</i>	In Progress	Funding obtained for Tallangatta Foreshore and implemented.
5.9 Continue to look at renewable energy projects where funding is available (e.g. Banking on our Solar Future) ○ <i>Work to continue for the life of this Council Plan</i>	In Progress	Banking on our Solar Future funding allocated to assist with Tallangatta Office upgrade to solar and battery installation.
5.10 Deliver strategic tree plantings under the Tree Management Plan as funding becomes available ○ <i>Work to continue for the life of this Council Plan</i>	In Progress	Tree planting in Granya and Walwa completed. Tree planting in Tallangatta, Corryong and small towns ongoing.

Strategy and strategic indicator/s	Status	Comments
5.11 Encourage (and where possible deliver) sustainable design for community buildings and residential development ○ <i>Work to continue for the life of this Council Plan</i>	Ongoing	Principles being discussed with the Upper Murray Events Centre Steering Committee.
5.12 Support waste initiatives in the North East Regional Waste Implementation Plan and Regional Waste Minimisation Strategy ○ <i>Work to continue for the life of this Council Plan</i>	In Progress	Working with North East Waste Resource Recovery Group.
5.13 Consider the options available for the Bethanga Wastewater Project, explore preferred solutions and seek funding to deliver a solution (if feasibility can be established) ○ <i>For completion by June 2019</i>	In Progress	Working with North East Water.
5.14 Investigate the options for the development and reporting of Environmental Performance indicators ○ <i>For completion by June 2019</i>	In Progress	Postponed to 2018/19 due to staff changes.
5.15 Research options available for reticulated sewerage in Eskdale ○ <i>For completion by June 2021</i>	Not yet started	Programmed for 2019/20.

Our performance

5. Environmental sustainability

Strategic indicators	Target	Result 16/17	Result 17/18	Target achieved
Kerbside bin collection requests	Decrease	329	360	No
Kerbside collection waste diverted from landfill	Increase	32.74%	32.94%	Yes

Service performance indicators

Service	Indicator	Performance Measure	Result 17/18
Waste Collection	Waste diversion	Kerbside collection waste diverted from landfill <i>- Percentage of garbage, recyclables and green organics collected from Kerbside bins that is diverted from landfill</i>	32.94%
Animal Management	Health and safety	Animal management prosecutions <i>- Number of successful animal management prosecutions</i>	Not applicable ¹

¹ There have been no animal prosecutions in 2016, 2017 or 2018

Our performance

6. Economic and tourism development

Delivery of the 2017 – 2021 Upper Murray 2030 Vision Plan commenced, with the Great River Road and Upper Murray branding projects the first to be initiated. Infrastructure works for the Great River Road commenced, and an artist has been appointed to produce the five key public art pieces. The branding was developed and will be launched in 2018/19. Focus groups have been established to progress particular areas (West end, East end, Pine Mountain, Artwork and Landscaping/plantings).

Council was successful in securing funding for a number of projects that will be delivered in 2018/19, and is awaiting the outcome of applications for a number of key projects including the Connecting Corryong and Tallangatta Holiday Park Transformation projects.

Towong Shire businesses attended a range of sessions as part of the Small Business Festival sponsored by the Victorian Government. Six events were held in total, with three in Tallangatta, two in Corryong and one in Eskdale.

The relationship with Tourism North East continues to deliver strong benefits to the Shire, with Council participating in a number of projects that will increase visitation to the area and build the capacity of operators. These included a draft Destination Action Plan for the Mitta Valley and workshops to assist businesses to leverage from the *Man from Snowy River Bush Festival*.

Highlights

- Formation of the Great River Road Reference Group and commencement of the Great River Road project
- Launch of the Valleys, Lakes and Vistas tourism website
- Installation of new town entrance signage for Dartmouth, Eskdale and Mitta Mitta
- Delivered Bricks 4 Kids – an event aimed at supporting the Upper Murray Agricultural Community
- Partnered with Tourism North East to deliver key projects and activities
- Implementation of EOI process for local artists/ groups to hire Davis Cottage in Corryong
- Funding secured for:
 - Think-Start-Grow start up entrepreneurship project (\$100,000)
 - Dartmouth RV dump point (\$18,125)
 - Tallangatta Residential and Industrial Land Analysis and Future Options (\$70,000)
 - Tintaldra Boat Ramp upgrade (\$119,505)
 - Great Victorian Bike Ride (\$5,000)

Challenges

- Staff changes resulted in projects being delayed as replacements were recruited and brought up to speed
 - Tourism Services Officer position was vacant for six months of the year
-

Our performance

6. Economic and tourism development

Services delivered in 2017/18

Services	Description
Economic Development	<p>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.</p> <p>It also provides for the operation of the Corryong Saleyards, Corryong Airport and the Innovation Space.</p>
Tourism	<p>This service includes the provision of a Visitor Information Centre in Corryong, support for visitor information services in Tallangatta and development of tourism websites to provide advice to visitors to the region.</p>

Council Plan progress report

Strategy and strategic indicator/s	Status	Comments
6.1 Develop and launch the Valleys, Lakes and Vistas tourism website o <i>For completion by June 2018</i>	Complete	Website now available.
6.2 Explore options in relation to a Centre for Dairy Excellence in the Upper Murray o <i>For completion by June 2019</i>	In Progress	Options are being explored.
6.3 Develop and implement a Recreational Hunting Tourism Strategy o <i>For completion by June 2019</i>	In Progress	Steering group formed and consultation on draft strategy undertaken.
6.4 Explore options for creating cycle product within the Towong Shire and where feasible, deliver or facilitate new product (e.g. new cycle event linked to the Tallangatta 50's Festival, opportunities with the High Country Rail Trail) o <i>For completion by June 2019</i>	In Progress	Great Victorian Bike Ride to stay overnight in Tallangatta in 2018. Developing the Ride High Country marketing campaign.
6.5	In Progress	Discussion paper developed.

Strategy and strategic indicator/s	Status	Comments
<p>Explore options to capitalize on Tallangatta's Notable Town status (e.g. establishment of a Museum to celebrate Tallangatta's unique heritage)</p> <ul style="list-style-type: none"> ○ <i>For completion by June 2019</i> 		
<p>6.6 Seek further funding and deliver the Upper Murray Events Centre</p> <ul style="list-style-type: none"> ○ <i>For completion by June 2020</i> 	In Progress	Awaiting outcome of funding application.
<p>6.7 Secure control of the Tallangatta Caravan Park and seek funding to implement the adopted recommendations from the Tallangatta Holiday Park Planning Study</p> <ul style="list-style-type: none"> ○ <i>Work to continue for the life of this Council Plan</i> 	In Progress	Awaiting outcome of funding application.
<p>6.8 Continue to lobby for improved mobile phone and internet coverage across the Shire</p> <ul style="list-style-type: none"> ○ <i>Work to continue for the life of this Council Plan</i> 	In Progress	Continued participation in Indi Telecommunications Action Group.
<p>6.9 Seek funding for the Connecting Corryong project</p> <ul style="list-style-type: none"> ○ <i>Work to continue for the life of this Council Plan</i> 	In Progress	Funding application submitted.
<p>6.10 Work with business operators to assist them to become more profitable (e.g. Business After Hours program and targeted training)</p> <ul style="list-style-type: none"> ○ <i>Work to continue for the life of this Council Plan</i> 	In Progress	Six Small Business Festival events coordinated across the Shire.
<p>6.11 Work with UM2030 Community Board to deliver outcomes from the UM2030 Plan</p> <ul style="list-style-type: none"> ○ <i>Work to continue for the life of this Council Plan</i> 	In Progress	Great River Road and Upper Murray branding projects commenced.
<p>6.12 Advocate for houseboats on Lake Hume and Dartmouth Dam</p> <ul style="list-style-type: none"> ○ <i>Work to continue for the life of this Council Plan</i> 	Ongoing	Continued participation in the reference group.
<p>6.13 Work with key stakeholders, including Tourism North East and Parks Victoria, to provide opportunities for ecotourism in our Shire (e.g. Pine Mountain)</p> <ul style="list-style-type: none"> ○ <i>Work to continue for the life of this Council Plan</i> 	In Progress	Discussions underway.

Strategy and strategic indicator/s	Status	Comments
6.14 Continue to advocate for The Narrows project at Tallangatta <ul style="list-style-type: none"> ○ <i>Work to continue for the life of this Council Plan</i> 	In Progress	Working with the Tallangatta Lake Community Action Group.
6.15 Work with local operators to facilitate the development of a farm gate trail in the Mitta Valley and replicate in other localities as appropriate <ul style="list-style-type: none"> ○ <i>Work to continue for the life of this Council Plan</i> 	In Progress	Working with Mitta Valley Inc. and Tourism North East to develop the Mitta Valley Destination Plan.
6.16 Support the delivery of the North East Regional Dairy Growth Plan and Workforce Development Strategy through Alpine Valleys Dairy Pathways Group <ul style="list-style-type: none"> ○ <i>Work to continue for the life of this Council Plan</i> 	In Progress	Working with Alpine Valleys Dairy Inc.
6.17 Seek funding to research indigenous history in the Towong Shire <ul style="list-style-type: none"> ○ <i>Work to continue for the life of this Council Plan</i> 	Ongoing	Funding opportunities are being researched.
6.18 Promote the Omeo Highway and the Benambra-Corryong Road as touring links to the Gippsland region <ul style="list-style-type: none"> ○ <i>Work to continue for the life of this Council Plan</i> 	In Progress	Initial discussions underway.
6.19 Seek funding for a Dartmouth RV dump and water point to support RV Friendly town promotion <ul style="list-style-type: none"> ○ <i>Work to continue for the life of this Council Plan</i> 	In Progress	Funding secured for a Dartmouth RV dump point.
6.20 Create branding for the Great River Road and the Upper Murray and deliver marketing campaign <ul style="list-style-type: none"> ○ <i>For completion by June 2020</i> 	In Progress	Project commenced and artist appointed.
6.21 Leverage off Rural Councils Victoria (RCV) project to attract people to live in rural areas / seek funding opportunity for associated study <ul style="list-style-type: none"> ○ <i>For completion by June 2020</i> 	In Progress	Continued involvement in the RCV Committee and as Secretariat. Secured funding for entrepreneurship development.

Strategy and strategic indicator/s	Status	Comments
6.22 Explore options to increase the availability of residential and industrial land across the Shire ○ <i>Work to continue for the life of this Council Plan</i>	In Progress	Funding received for the Tallangatta Industrial and Residential Land Analysis and Future Options project.
6.23 Host an economic development forum in 2020 ○ <i>For completion by December 2020</i>	Not yet started	Programmed for 2019/20.
6.24 Investigate options to support/promote farm-gate/agribusiness opportunities ○ <i>For completion by June 2021</i>	In Progress	Council working with Tourism North East and Mitta Valley Inc. to develop the Mitta Valley Destination Plan.

Strategic indicators	Target	Result 16/17	Result 17/18	Target achieved
Number of businesses	Increase	914 ¹	Not yet available	
Utilisation of <i>Visit Upper Murray</i> website	Increase	3,650	1,900	No
Utilisation of <i>Valleys, Lakes and Vistas</i> websites	Increase	0	576	Yes

Service performance indicator

Service	Indicator	Performance Measure	Result 17/18
Economic Development	Economic activity	Change in number of businesses - <i>Percentage change in the number of businesses with an ABN in the municipality</i>	Not yet available

¹ *Counts of Australian Businesses to June 2017*, Australian Bureau of Statistics data

Governance, management and other information

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
- 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 the 2017/18 year Council held the following meetings:

- Eleven (11) Ordinary Council meetings
- Four (4) Special Council meetings

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
- Guys Forest Recreation Reserve Committee of Management – to manage the Guys Forest Recreation Reserve – this Instrument of Delegation was revoked in October 2017

Governance, management and other information

Governance (continued)

Code of conduct

The Local Government Act 1989 requires councils to develop and approve a Councillor Code of Conduct. The introduction of the Local Government Amendment (Improved Governance) Act 2015 required Council to review and amend its Councillor Code of Conduct. The revised Code of Conduct was adopted by Council on 7 February 2017.

The Councillor Code of Conduct is designed to:

- Provide good governance for the Towong municipality
- Create common understandings of the different roles of the Councillors and the administration
- Identify key relationships and how they can contribute to good governance
- 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
- Appropriate use of Council resources

Councillor allowances

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 income and population. Towong Shire Council is a category 1 Council. The allowances adopted at the 6 June 2017 Ordinary Council meeting are as follows:

Mayor:	\$58,389
Councillors:	\$19,543

Under 73B(2) of the Act the Minister for Local Government must, at least once every year, review the limits and ranges of Councillor and Mayoral allowances. Council was advised that the allowances be increased by an adjustment factor of 2% from 1 December 2017. The 2% increase resulted in the following range and limits applying to Towong's category of Councils (Category 1):

Councillors: \$8,490 - \$20,231 per annum

Mayor: up to \$60,442 per annum

In accordance with Section 73B(5), this increased the Councillor and Mayoral allowances by the 2% adjustment factor resulting in the following amounts from 1 December 2017.

Mayor:	\$59,557
Councillors:	\$19,934

Governance, management and other information

Governance (continued)

Councillor allowances (continued)

An amount equivalent to the Superannuation Guarantee Contribution is payable in addition to the above set allowance. The Superannuation Guarantee Contribution percentage was 9.5% for 2017/18.

Councillors may also claim a remote travel allowance of \$40 per day to attend meetings held more than 50km from their place of residence, up to a maximum of \$5,000 per annum.

Councillor expenses

Councillors are reimbursed for expenses incurred whilst performing his or her duties as a Councillor. Council is required to adopt and maintain a policy in relation to the reimbursement of expenses for Councillors. The policy provides guidance for the payment of reimbursements of expenses and the provision of resources, facilities and other support to the Mayor and Councillors.

Councillor	Travel	Car mileage	Childcare	ICT+	Conferences ×
Cr Aaron Scales	\$1,040	\$0	\$235	\$526	\$510
Cr David Wortmann	\$1,654	\$2,894	\$0	\$2,015	\$0
Cr Jennie Star	\$1,520	\$897	\$0	\$5,283	\$239
Cr Peter Tolsher	\$440	\$0	\$0	\$1,728	\$0
Cr Andrew Whitehead	\$1,400	\$1,153	\$0	\$6,425	\$0

+Information and communication technology

× Conferences and training

Governance, management and other information

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.

During 2017/18, the Audit Committee considered:

Financial management and performance reporting

- Annual financial statements and the Victorian Auditor-General's external audit
- Budget development
- Financial and Council Plan reporting
- Procurement
- Investment
- Local Government Performance Reporting framework
- New Finance system

Risk management

- Risk management strategy and action plan
- OHS safety management system
- Legal updates
- Emergency management planning
- Internal audit schedule

Business continuity

- Human resource management including development of KPIs

Governance

- Audit Committee Charter
- VAGO best practice reports
- Victorian Ombudsman reports
- Local Government Act review

Governance, management and other information

Management (continued)

Audit Committee members

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.

Mr. Robert Lees (Chair)

Mr. Lees was appointed to the Audit Committee in March 2015. He has had 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.

Ms. Judy Charlton

Ms. Charlton was appointed to the Audit Committee in August 2017. Judy is an experienced local government executive. Her roles included Director Corporate Services at Albury City Council and CEO of Narrandera Shire Council. Judy now provides management consulting services to the local government sector. Judy has tertiary qualifications in Human Resources, Finance, and Information Technology and has attained the Australian Institute of Company Directors Diploma.

Ms. Kerrie Clarke

Ms. Clarke was appointed to the Audit Committee in March 2015. Kerrie is a Certified Practising Accountant and is the Chief Finance Officer at Corryong Health; a position she has held for over 10 years. She holds a Bachelor of Business (Accounting / Finance) and resides on 6 acres at Cudgewa with her family.

Governance, management and other information

Management (continued)

External audit

Council is externally audited by the Victorian Auditor-General's Office (VAGO). For the 2017/18 year the annual external audit of Council's financial statements and performance statement was conducted by VAGO'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

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

Governance, management and other information

Governance and management checklist

Governance and management items	Assessment	Result
<p>1 Community engagement policy (policy outlining Council's commitment to engaging with the community on matters of public interest)</p>	<p>Policy Draft Communications and Engagement Strategy 2018 – 2021</p>	Yes
<p>2 Community engagement guidelines (guidelines to assist staff to determine when and how to engage with the community)</p>	<p>Draft Engagement Guidelines developed in March 2018</p>	Yes
<p>3 Strategic Resource Plan (plan under section 126 of the Act outlining the financial and non-financial resources required for at least the next 4 financial years)</p>	<p>Adopted in accordance with section 126 of the Act Date of adoption: 15 August 2017</p>	Yes
<p>4 Annual budget (plan under section 130 of the Act setting out the services to be provided and initiatives to be undertaken over the next 12 months and the funding and other resources required)</p>	<p>Adopted in accordance with section 130 of the Act Date of adoption: 15 August 2017</p>	Yes
<p>5 Asset management plans (plans that set out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)</p>	<p>Current plans in operation Date of adoption of current plans: Roads – 6 August 2012 Drainage – Draft Buildings and structures - Draft</p>	Yes
<p>6 Rating strategy (strategy setting out the rating structure of Council to levy rates and charges)</p>	<p>Current strategy in operation Date of operation of current strategy: 15 August 2017</p>	Yes

Governance, management and other information

Governance and management checklist (continued)

Governance and management items	Assessment	Result
<p>7 Risk policy (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 adoption of current policy: 6 February 2018</p>	Yes
<p>8 Fraud policy (policy outlining Council's commitment and approach to minimising the risk of fraud)</p>	<p>Current policy in operation</p> <p>Date of adoption of current policy: 3 April 2018</p>	Yes
<p>9 Municipal emergency management plan (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></p> <p>Date of preparation: 17 July 2018</p>	Yes
<p>10 Procurement policy (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></p> <p>Date of approval: 6 February 2018</p>	Yes
<p>11 Business continuity plan (plan setting out the actions that will be undertaken to ensure that key services continue to operate in the event of a disaster)</p>	<p>Current plan in operation</p> <p>Date of preparation: July 2018</p>	Yes
<p>12 Disaster recovery plan (plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster)</p>	<p>Current plan in operation</p> <p>Date of preparation: July 2018</p>	Yes
<p>13 Risk management framework (framework outlining Council's approach to managing risks to the Council's operations)</p>	<p>Current framework in operation</p> <p>Date of adoption of current framework: 1 July 2016</p>	Yes

Governance, management and other information

Governance and management checklist (continued)

Governance and management items	Assessment	Result
<p>14 Audit Committee (advisory committee of Council under section 139 of the Act whose role is to oversee the integrity of a Council's financial reporting, processes to manage risks to the Council's operations and for compliance with applicable legal, ethical, and regulatory requirements)</p>	<p>Committee established in accordance with section 139 of the Act</p> <p>Date of establishment: 19 January 1998</p>	Yes
<p>15 Internal audit (independent accounting professionals engaged by the Council to provide analyses and recommendations aimed at improving Council's governance, risk and management controls)</p>	<p>Internal auditor engaged</p> <p>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. Council has committed \$10,000 in the 2018/19 budget to conduct an audit of OHS systems</p>	No
<p>16 Performance reporting framework (a set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 131 of the Act)</p>	<p>Current framework in operation</p> <p>Date of operation of current framework: 1 July 2017</p>	Yes
<p>17 Council Plan reporting (report reviewing the performance of the Council against the Council Plan, including the results in relation to the strategic indicators, for the first six months of the financial year)</p>	<p>Current report</p> <p>Dates of report: 5 September 2017, 14 November 2017, 6 March 2018, 1 May 2018</p>	Yes
<p>18 Financial reporting (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>Dates statement presented: 5 September 2017, 14 November 2017, 6 February 2018, 1 May 2018</p>	Yes

Governance, management and other information

Governance and management checklist (continued)

Governance and management items	Assessment	Result
<p>19 Risk reporting (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: 21 November 2017, 8 May 2018</p>	Yes
<p>20 Performance reporting (six-monthly reports of indicators measuring the results against financial and non-financial performance, including performance indicators referred to in section 131 of the Act)</p>	<p>Reports prepared and presented</p> <p>Date of reports: 6 February 2018, 1 May 2018</p>	Yes
<p>21 Annual report (Annual Report under sections 131, 132 and 133 of the Act to the community containing a report of operations and audited financial and performance statements)</p>	<p>Considered at a meeting of Council in accordance with section 134 of the Act</p> <p>Date report presented: 17 October 2017</p>	Yes
<p>22 Councillor Code of Conduct (Code under section 76C of the Act setting out the conduct principles and the dispute resolution processes to be followed by Councillors)</p>	<p>Reviewed in accordance with section 76C of the Act</p> <p>Date reviewed: 7 February 2017</p>	Yes
<p>23 Delegations (a document setting out the powers, duties and functions of council and the Chief Executive Officer that have been delegated to members of staff)</p>	<p>Reviewed in accordance with section 98(6) of the Act</p> <p>Date of review: 17 October 2017</p>	Yes
<p>24 Meeting procedures (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: 5 September 2011</p>	Yes

Governance, management and other information

Governance and management checklist (continued)

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



Cr Aaron Scales

Mayor

Date: 27 September 2018



Juliana Phelps

Chief Executive Officer

Date: 27 September 2018

Governance, management and other information

Statutory information

Documents available for public inspection

The opportunity to access information about Council operations is a vital part of open and accountable government. The following are prescribed documents that are available for public inspection in accordance with regulation 12 of the *Local Government (General) Regulations 2015*:

- a document containing details of overseas or interstate travel (other than interstate travel by land for less than 3 days) undertaken in an official capacity by any Councillor or member of Council staff in the previous 12 months
- the agendas and minutes of ordinary and special meetings held in the previous 12 months which are kept under section 93 of the Act, other than those agendas and minutes relating to a part of a meeting which was closed to members of the public under section 89 of the Act and are confidential information within the meaning of section 77(2) of the Act
- the minutes of meetings of special committees established under section 86 of the Act and held in the previous 12 months, other than those minutes relating to a part of a meeting which was closed to members of the public under section 89 of the Act and are confidential information within the meaning of section 77(2) of the Act
- a register of delegations kept under sections 87(1) and 98(4) of the Act, including the date on which the last review took place under sections 86(6) and 98(6), respectively, of the Act
- a document containing details of all leases involving land which were entered into by the Council as lessor, including the lessee and the terms and the value of the lease;
- a register maintained under section 224(1A) of the Act of authorised officers appointed under that section
- a list of donations and grants made by the Council in the previous 12 months, including the names of persons who, or bodies which, have received a donation or grant and the amount of each donation or grant

Best value

Council 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 has 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
- Immunisations

In addition, Council has partnered with Alpine Shire Council to establish *Momentum One Shared Services Pty Ltd* as a platform for other innovative shared services initiatives. *Momentum One* currently provides cost-effective talent and technology solutions to its founding partners as well as other Victorian councils.

Governance, management and other information

Statutory information (continued)

Carers recognition

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
- 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, Council has prepared a Disability Action Plan (known as the Towong Shire Access and Inclusion Plan) and developed a Shire-wide disability profile.

Events conducted include promotion of Carers Week (October 2017) entitled "Connecting Carers and our Community". This involved guest speakers from Villa Maria, National Disability Insurance Agency, Tallangatta Health, and Jobs Victoria Employment Network (JVEN).

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 2017-2021 in September 2017.

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
- 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

Statutory information (continued)

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
- 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 or on Council's website.

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 2017/18 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

Sustainable capacity indicators

Indicator/measure	Results 2015	Results 2016	Results 2017	Results 2018	Material Variations
Population					
<i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$2,247.46	\$2,241.41	\$2,222.74	\$2,270.84	There were no material variations in this indicator's result compared to the prior years.
<i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$29,344.81	\$30,647.34	\$31,147.98	\$33,299.13	<p>The value of Council's infrastructure has been increasing over time as capital works are carried out each year renewing or upgrading roads, bridges, footpaths, drains, kerb and channel.</p> <p>The infrastructure network accounts for approximately \$153 million or 80% of the dollar value of Council's total property and infrastructure assets.</p> <p>Towong Shire has a small, static and dispersed population base compared to its large infrastructure network.</p>
<i>Population density per length of road</i> [Municipal population / Kilometres of local roads]	4.98	4.97	4.91	5.05	There were no material variations in this indicator's result compared to the prior years.
Own-source revenue					
<i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$1,497.12	\$1,569.42	\$1,633.59	\$1,722.80	This indicator has increased marginally year on year due to the total rates and charges collected each year increasing to cover the costs of providing services and maintaining infrastructure whilst the population of Towong Shire remains static.

Performance statement

<i>Indicator/measure</i>	Results 2015	Results 2016	Results 2017	Results 2018	Material Variations
Recurrent grants					
<i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$1,406.04	\$751.48	\$1,457.54	\$1,101.61	<p>The 2018 result includes 50% of the 2017/18 Financial Assistance Grants allocation as well as an advance payment of 50% of the 2018/19 Financial Assistance Grants allocation. This result reflects expected levels of recurrent grants per head of municipal population if there was no impact of advance payments.</p> <p>The significant increases and decreases on prior year results is due to the timing of payments of the Financial Assistance Grants.</p> <p>In 2015, 2017 and 2018 payments in advance of approximately \$2 million were received (approximately 50% of the following year's allocation). These payments in advance result in a significant variability in this measure over time.</p>
Disadvantage					
<i>Relative Socio-Economic Disadvantage</i> [Index of Relative Socio-Economic Disadvantage by decile]	7	6	6	6	There were no material variations in this indicator's result compared to the prior years.

Performance statement

Service performance indicators

<i>Service/indicator/measure</i>	Results 2015	Results 2016	Results 2017	Results 2018	Material Variations
Aquatic Facilities					
Utilisation					
<i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	1.13	2.27	2.81	1.96	Council operates two outdoor seasonal swimming pools. There were 11,708 visits recorded in 2018 compared to 16,322, 13,071 and 6,645 in 2017, 2016 and 2015 respectively.
Animal Management					
Health and safety					
<i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	0	0	0	0	There have been no animal prosecutions within the reporting periods of 2015 to 2018.
Food Safety					
Health and safety					
<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%	100.00%	100.00%	There were thirteen critical or major non-compliance outcome notifications issued in 2018 with twelve addressed and one follow up completed early the following year. This compares to ten critical or major non-compliance outcome notifications issued in 2017.

Performance statement

<i>Service/indicator/measure</i>	Results 2015	Results 2016	Results 2017	Results 2018	Material Variations
Governance					
Satisfaction					
<i>Satisfaction with council decisions</i> [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	60	51	NA	59	<p>Council participated in the 2018 Community Satisfaction Survey. The results have generally returned to the levels reported in 2015. It is believed a significant controversial local matter influenced the results in 2016. Analysis of the results determined that the reduction in key measures was particularly evident in the geographic area surrounding the controversial matter.</p> <p>Council did not to participate in or conduct a Community Satisfaction survey in 2017 following a 'value for money' evaluation conducted as part of the 2016/17 budget development. Council was unable to justify committing significant ratepayer funds to conduct a 'general' satisfaction survey.</p> <p>With a small rural population, Council receives feedback on Council's performance through a number of direct methods. Councillors and Council officers are well connected within the local communities, participate in local community organisations and are readily available to residents and ratepayers. Specific feedback enables Council to evaluate decisions and implement improvements as a direct response to feedback received.</p>

Performance statement

<i>Service/indicator/measure</i>	Results 2015	Results 2016	Results 2017	Results 2018	Material Variations
Libraries					
Participation					
<i>Active library members</i> [Number of active library members / Municipal population] x100	4.36%	9.25%	13.09%	12.17%	<p>There were 727 active members in 2018 compared to 760 in 2017 and 533 in 2016.</p> <p>A new library in Tallangatta was officially opened in August 2016. Council also increased the opening hours from 15.5 to 40 hours per week.</p> <p>Council provides two static libraries in its main centres of Corryong and Tallangatta. These libraries service our small dispersed population of 5,974 (ABS Catalogue 3218.0) which is spread over 6,635 square kilometres.</p> <p>Many residents reside outside the two main centres where the static libraries are located and may access other library services in neighbouring municipalities.</p>

Performance statement

<i>Service/indicator/measure</i>	Results 2015	Results 2016	Results 2017	Results 2018	Material Variations
Maternal and Child Health (MCH)					
Participation					
<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	88.10%	80.24%	82.39%	71.58%	There were 168 children who attended the MCH service at least once in 2018 compared to 204 in 2017, 197 in 2016 and 219 in 2015. There was also a significant drop in birth notifications with 35 in 2018 down from 66 in 2017.
Participation					
<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	100.00%	66.67%	100.00%	57.14%	There are four children registered with the MCH service that have been identified as having an Aboriginal or Torres Strait Islander background in 2018 compared to one in 2015 and two in 2016 and 2017. Two of the four children have actively participated in the MCH service in 2018. Note: The 2016 result has been restated due to an error in the result reported in 2016.

Performance statement

<i>Service/indicator/measure</i>	Results 2015	Results 2016	Results 2017	Results 2018	Material Variations
Roads					
Satisfaction					
<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	NA	58	<p>Council participated in the 2018 Community Satisfaction Survey. The results have generally returned to the levels reported in 2015. It is believed a significant controversial local matter influenced the results in 2016. Analysis of the results determined that the reduction in key measures was particularly evident in the geographic area surrounding the controversial matter.</p> <p>Council did not to participate in or conduct a Community Satisfaction survey in 2017 following a 'value for money' evaluation conducted as part of the 2016/17 budget development. Council was unable to justify committing significant ratepayer funds to conduct a 'general' satisfaction survey.</p> <p>With a small rural population, Council receives feedback on Council's performance through a number of direct methods. Councillors and Council officers are well connected within the local communities, participate in local community organisations and are readily available to residents and ratepayers. Specific feedback enables Council to evaluate decisions and implement improvements as a direct response to feedback received.</p>

Performance statement

<i>Service/indicator/measure</i>	Results 2015	Results 2016	Results 2017	Results 2018	Material Variations
Statutory Planning					
Decision making					
<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%	100.00%	100.00%	There was one Council planning decision referred to VCAT for 2018. This Council decision was upheld at VCAT. There was one planning decision referred to VCAT in 2017, one in 2016 and three in 2015.
Waste Collection					
Waste diversion					
<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%	32.74%	32.94%	There were no material variations in this indicator's result compared to the prior years.

Performance statement

Financial performance indicators

Dimension/ indicator/ measure	Results					Forecast			Material Variations
	2015	2016	2017	2018	2019	2020	2021	2022	
Efficiency									
Revenue level									
<i>Average residential rate per residential property assessment</i> [Residential rate revenue / Number of residential property assessments]	\$1,258.49	\$1,326.10	\$1,360.86	\$1,445.05	\$1,514.64	\$1,575.03	\$1,638.22	\$1,705.22	<p>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.</p> <p>Council adopted a general rate and municipal charge increase of 4.80% in 2018/19, 5.55% in 2017/18 and 3.50% in 2016/17.</p> <p>Council has approval from the Essential Services Commission for an average general rate and municipal charge increase of 5.55% from 2017/18 to 2020/21.</p>

Performance statement

Dimension/ indicator/ measure	Results					Forecast			Material Variations
	2015	2016	2017	2018	2019	2020	2021	2022	
Expenditure level									
<i>Expenses per property assessment</i> [Total expenses / Number of property assessments]	\$3,011.59	\$2,937.23	\$2,917.91	\$3,063.69	\$3,420.28	\$3,517.72	\$3,610.96	\$3,735.86	<p>Council had total expenses of approximately \$13 million each year from 2015 to 2018.</p> <p>Council is forecasting total expenses of approximately \$15 million in 2019 to \$16.5 million in 2022. The increase is due to budgeting for the employee workforce to be at full capacity as well as increases in depreciation for new landfill cells and new large plant items(trucks, graders, backhoes etc.) replacing fully depreciated plant items.</p> <p>Council's number of property assessments has increased by 28 from 2015 to 2018 and is forecast to increase by three per year.</p>
Workforce turnover									
<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%	13.53%	15.38%	11.19%	10.39%	10.39%	10.26%	<p>Council has a small workforce of 77.5 full time equivalents (FTE) in the 2018/19 budget.</p> <p>During 2018 ten staff (7.6 FTE) left Council's employment compared to nine in 2017, seven in 2016 and four in 2015.</p> <p>Council has forecast from 2019 to 2022 for 8 staff leaving Council's employment each year based on historical averages.</p>

Performance statement

Dimension/ indicator/ measure	Results					Forecast			Material Variations
	2015	2016	2017	2018	2019	2020	2021	2022	
Unrestricted cash									
Unrestricted cash compared to current liabilities [Unrestricted cash / Current liabilities] x100	281.66%	287.21%	112.72%	115.10%	567.42%	592.35%	578.87%	584.54%	<p>The Unrestricted cash results from 2015 to 2018 do not include funds held in term deposits; however, the forecast figures from 2019 to 2022 include term deposits.</p> <p>Council's current Strategic Resource Plan modelling classifies term deposits as cash and cash equivalents and not classified as other assets per the forecast indicator. The Strategic Resource Plan also assumes 100% capital program completion and that all grants received will be expended at 30 June each year. This means that all funds are deemed to be unrestricted at year end resulting in higher results for the forecast.</p>
Liquidity									
Working capital									
Current assets compared to current liabilities [Current assets / Current liabilities] x100	633.48%	561.45%	694.96%	832.83%	631.15%	649.93%	634.13%	637.05%	<p>The 2018 result was higher than expected due to receiving \$2.2 million of the 2018/19 Federal Financial Assistance Grants allocation in advance. These funds were expected to be received in 2018/19.</p>

Performance statement

Dimension/ indicator/ measure	Results					Forecast			Material Variations
	2015	2016	2017	2018	2019	2020	2021	2022	
Obligations									
Asset renewal									
Asset renewal compared to depreciation [Asset renewal expense / Asset depreciation] x100	76.64%	60.92%	102.79%	155.87%	200.13%	94.11%	96.17%	105.04%	<p>The large increase in the 2018 result and 2019 forecast compared to prior years is due to expending the increased funding from the Roads to Recovery program and the continued delivery of the Destination Tallangatta project and other multi-year projects.</p> <p>Forecasts for 2020 to 2022 are based at or around 100% asset renewal.</p> <p>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.</p>

Performance statement

Dimension/ indicator/ measure	Results					Forecast			Material Variations
	2015	2016	2017	2018	2019	2020	2021	2022	
Loans and borrowings									
Loans and borrowings compared to rates [Interest bearing loans and borrowings / Rate revenue] x100	0.46%	0.46%	0.15%	4.28%	3.37%	24.11%	24.61%	28.29%	<p>Council entered into a finance lease for the purchase of a garbage truck in 2018 and had \$9,000 of borrowings at 30 June 2018.</p> <p>The result in 2017 was due to the loan being paid down from \$34,000 to \$13,000. This loan was being carried at similar levels (\$34,000) in 2015 and 2016 prior to being paid down in 2017.</p> <p>The increases from 2020 is due to Council's intention to take out borrowings to cover the costs of significant infrastructure projects including parts of Destination Tallangatta, Walwa, Granya, Bethanga and Mitta Mitta streetscapes that are currently being funded by Council's current cash holdings.</p>

Performance statement

Dimension/ indicator/ measure	Results					Forecast			Material Variations
	2015	2016	2017	2018	2019	2020	2021	2022	
<p><i>Loans and borrowings repayments compared to rates</i></p> <p>[Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100</p>	4.64%	0.11%	0.37%	0.74%	1.13%	3.95%	4.32%	5.20%	<p>Council entered into a finance lease for the purchase of a garbage truck in 2018.</p> <p>In 2017, Council paid down its only current loan facility reducing it from \$34,000 to \$13,000. There were two finance leases paid out in 2015 for plant and machinery.</p> <p>The increase from 2020 is due to Council's intention to take out borrowings to cover the costs of significant infrastructure projects including parts of Destination Tallangatta and the Walwa, Granya, Bethanga and Mitta Mitta streetscapes that are currently being funded by Council's current cash holdings.</p>
<p><i>Indebtedness</i></p> <p><i>Non-current liabilities compared to own source revenue</i></p> <p>[Non-current liabilities / Own source revenue] x100</p>	5.97%	7.44%	6.74%	13.50%	11.83%	27.36%	28.70%	30.65%	<p>This measure increases in forecast years with the landfill rehabilitation provision expected to increase as new landfill cells are created every second year.</p> <p>The provision for Cell # 2 was created in 2018, with the next cell scheduled for construction in 2020.</p>

Performance statement

Dimension/ indicator/ measure	Results					Forecast			Material Variations
	2015	2016	2017	2018	2019	2020	2021	2022	
Operating position									
Adjusted underlying result									
Adjusted underlying surplus (or deficit) [Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100	26.57%	8.64%	29.87%	21.77%	4.25%	5.91%	5.90%	4.97%	<p>The 2018 result includes 50% of the 2017/18 Financial Assistance Grants allocation as well as an advance payment of 50% of the 2018/19 Financial Assistance Grants allocation.</p> <p>The significant increases and decreases on prior year results is due to the timing of payments of the Financial Assistance Grants.</p> <p>In 2015, 2017 and 2018 payments in advance of approximately \$2 million were received (approximately 50% of the following year's allocation). These payments in advance result in a significant variability in this measure over time.</p>

Performance statement

Dimension/ indicator/ measure	Results					Forecast			Material Variations
	2015	2016	2017	2018	2019	2020	2021	2022	
Stability									
Rates concentration									
Rates compared to adjusted underlying revenue [Rate revenue / Adjusted underlying revenue] x100	38.78%	52.59%	42.14%	48.12%	55.56%	55.12%	56.03%	57.04%	<p>The 2018 result includes 50% of the 2017/18 Financial Assistance Grants allocation as well as an advance payment of 50% of the 2018/19 Financial Assistance Grants allocation.</p> <p>The significant increases and decreases on prior year results is due to the timing of payments of the Financial Assistance Grants. In 2015, 2017 and 2018 payments in advance of approximately \$2 million were received (approximately 50% of the following year's allocation). These payments in advance result in a significant variability in this measure over time.</p>
Rates effort									
Rates compared to property values [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.53%	0.56%	0.56%	0.60%	0.57%	0.59%	0.62%	0.64%	<p>The decrease in this indicator from the 2018 result to the 2019 forecast is due to 2019 being a revaluation year which saw Capital Improved Values (CIV) increase by approximately 10.0% across the Shire, with the rate increase being only 4.8% in comparison. The small increases in the forecast figures is due to the assumption of a forecast rate increase of 4.80% and CIVs remaining constant.</p>

Performance Statement

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 26 June 2018 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 or is available for viewing at the Tallangatta or Corryong offices.

Performance Statement

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 Practising Accountant

Principal Accounting Officer

Wednesday 19 September 2018

In our opinion, the accompanying Performance Statement of Towong Shire Council for the year ended 30 June 2018 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

Mayor

Wednesday 19 September 2018



Cr Andrew Whitehead

Councillor

Wednesday 19 September 2018



Ms Juliana Phelps, Chartered Accountant

Chief Executive Officer

Wednesday 19 September 2018

Performance Statement

Auditor-General's report



Independent Auditor's Report

To the Councillors of Towong Shire Council

Opinion	<p>I have audited the accompanying performance statement of Towong Shire Council (the council) which comprises the:</p> <ul style="list-style-type: none"> • description of municipality for the year ended 30 June 2018 • sustainable capacity indicators for the year ended 30 June 2018 • service performance indicators for the year ended 30 June 2018 • financial performance indicators for the year ended 30 June 2018 • other information and • the certification of the performance statement. <p>In my opinion, the performance statement of Towong Shire Council in respect of the year ended 30 June 2018 presents fairly, in all material respects, in accordance with the performance reporting requirements of Part 6 of the <i>Local Government Act 1989</i>.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the performance statement</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. I and my staff are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the performance statement in Victoria and have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Councillors' responsibilities for the performance statement	<p>The Councillors are responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the <i>Local Government Act 1989</i> and for such internal control as the Councillors determines is necessary to enable the preparation and fair presentation of the statement of performance that is free from material misstatement, whether due to fraud or error.</p>
Auditor's responsibilities for the audit of the performance statement	<p>As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the performance statement based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the performance statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Standards on Assurance Engagements will always detect a material misstatement when it exists.</p>

Level 31 / 35 Collins Street, Melbourne Vic 3000
T 03 8601 7000 e-enquiries@audit.vic.gov.au www.audit.vic.gov.au

Performance Statement

Auditor-General's report (continued)

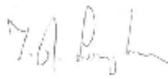
Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of this performance statement.

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

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

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

MELBOURNE
20 September 2018


Tim Loughnan
as delegate for the Auditor-General of Victoria

Financial Statements

Comprehensive income statement for the year ending 30 June 2018

	Note	2018 \$'000	2017 \$'000
Income			
Rates and charges	2.1	8,344	7,771
Statutory fees and fines	2.2	194	187
User fees	2.3	575	417
Grants – operating	2.4	5,653	6,853
Grants – capital	2.4	2,935	3,563
Net gain/ (loss) on disposal of property, infrastructure, plant and equipment	2.5	155	(107)
Fair value adjustments for investment property	5.3	16	-
Share of net profit/(loss) of joint arrangements	5.2	10	14
Other income	2.6	1,008	1,094
Total income		18,890	19,792
Expenses			
Employee costs and benefits	3.1	5,566	4,964
Materials and services	3.2	4,136	4,135
Depreciation and amortisation	3.3	3,580	3,569
Borrowing costs	3.4	17	6
Other expenses	3.5	267	229
Total expenses		13,566	12,903
Surplus/(Deficit)		5,324	6,889
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation increment	5.1	123	4,051
Comprehensive result		5,447	10,940

The above Comprehensive Income Statement should be read in conjunction with the accompanying notes.

Financial Statements

Balance Sheet as at 30 June 2018

	Note	2018 \$'000	2017 \$'000
Assets			
Current assets			
Cash and cash equivalents	4.1(a)	2,752	4,531
Other financial assets	4.1(b)	15,010	11,485
Trade and other receivables	4.1(c)	1,600	1,305
Inventories	4.2(a)	307	479
Other assets	4.2(b)	244	117
Total current assets		19,913	17,917
Non-current assets			
Trade and other receivables	4.1(c)	98	125
Investments in joint arrangements	5.2	45	35
Property, infrastructure, plant and equipment	5.1	195,994	187,270
Investment property	5.3	1,040	421
Intangible assets	4.2(c)	444	58
Total non-current assets		197,621	187,909
Total assets		217,534	205,826
Liabilities			
Current liabilities			
Trade and other payables	4.3(a)	817	1,103
Trust funds and deposits	4.3(b)	298	324
Provisions	4.5	1,224	1,151
Interest-bearing liabilities	4.4	52	-
Total current liabilities		2,391	2,578
Non-current liabilities			
Provisions	4.5	1,084	620
Interest-bearing liabilities	4.4	305	12
Total non-current liabilities		1,389	632
Total liabilities		3,780	3,210
Net Assets		213,754	202,616
Equity			
Accumulated surplus		97,821	86,806
Reserves	8.1	115,933	115,810
Total Equity		213,754	202,616

The above Balance Sheet should be read in conjunction with the accompanying notes.

Financial Statements

Statement of Changes in Equity for the year ending 30 June 2018

	Note	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000
2018				
Balance at beginning of the financial year		202,616	86,806	115,810
Adjustment for change in accounting policy – Land under roads	8.4	5,691	5,691	-
Surplus/(deficit) for the year		11,014	5,324	-
Net asset revaluation increment/(decrement)	8.1	123	-	123
Transfers to other reserves		-	-	-
Transfers from other reserves		-	-	-
Balance at end of the financial year		213,754	97,821	115,933
2017				
Balance at beginning of the financial year		191,676	79,917	111,759
Surplus/(deficit) for the year		6,889	6,889	-
Net asset revaluation increment/(decrement)	8.1	4,051	-	4,051
Transfers to other reserves		-	-	-
Transfers from other reserves		-	-	-
Balance at end of the financial year		202,616	86,806	115,810

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Financial Statements

Statement of Cash Flows for the year ending 30 June 2018

	Note	2018 Inflows/ (Outflows) \$'000	2017 Inflows/ (Outflows) \$'000
Cash flows from operating activities			
Rates and charges		8,316	7,766
Statutory fees and fines		194	187
User fees		575	417
Grants – operating		5,653	6,853
Grants – capital		2,935	3,563
Interest		375	362
Other receipts		315	583
Trust funds and deposits		(26)	27
Payments to suppliers		(4,597)	(4,375)
Payments to employees		(5,447)	(4,930)
Net cash provided by (used in) operating activities	8.2	8,293	10,453
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment	5.1	(7,100)	(5,159)
Proceeds from sale of property, infrastructure, plant and equipment	2.5	224	13
Payments for investments (in joint arrangements)		-	-
Payments for investment properties		-	(342)
(Increase)/ decrease in investments		(3,525)	(2,481)
Net cash provided by (used in) investing activities		(10,401)	(7,969)
Cash flows from financing activities			
Finance costs		(17)	(6)
Proceeds from borrowings		391	
Repayment of interest bearing loans and borrowings		(45)	(23)
Net cash provided by (used in) financing activities		329	(29)
Net increase/ (decrease) in cash and cash equivalents		(1,779)	2,455
Cash and cash equivalents at the beginning of the financial year		4,531	2,076
Cash and cash equivalents at the end of the financial year	4.1(a)	2,752	4,531
Financing arrangements			
Restrictions on cash assets	4.1		

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Financial Statements

Statement of Capital Works for the year ending 30 June 2018

	Note	2018 \$'000	2017 \$'000
Property			
Buildings		677	746
Total Buildings		677	746
Total Property		677	746
Plant and equipment			
Plant, machinery and equipment		1,298	278
Computer equipment		18	35
Library books		30	26
Total plant and equipment		1,346	339
Infrastructure			
Roads		3,165	2,132
Bridges		268	25
Footpaths and cycleways		266	118
Kerb and channel		480	216
Drainage		26	62
Guardrail		6	-
Parks, open space and streetscapes		411	414
Landfill		219	-
Other infrastructure		237	1,107
Total infrastructure		5,078	4,074
Total capital works expenditure		7,101	5,159
Represented by:			
New asset expenditure		472	944
Asset renewal expenditure		5,580	3,678
Asset upgrade expenditure		1,049	537
Asset expansion expenditure		-	-
Total capital works expenditure		7,101	5,159

The above Statement of Capital Works should be read in conjunction with the accompanying notes.

Financial Statements

Notes to the financial statements

Overview

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.

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:

- fair value of property, infrastructure, plant and equipment (refer to Note 5.1);
- determination of depreciation and amortisation of property, plant and equipment, infrastructure and other assets (refer to 5.1);
- the determination of employee costs and benefits (refer to Note 4.5);
- the determination of landfill rehabilitation provision (refer to Note 4.5); and
- other areas requiring judgements.

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.

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

Financial Statements

Notes to the financial statements (continued)

Note 1. Performance against budget

The performance against budget 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 15 August 2017. 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. 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.

Financial Statements

Notes to the financial statements (continued)

1.1 Income and expenditure

	Actual 2018 \$'000	Budget 2018 \$'000	Variance		Ref
			\$'000	%	
Income					
Rates and charges	8,344	8,153	191	2%	1
Statutory fees and fines	194	177	17	9%	
User fees	575	879	(304)	(35%)	2
Grants – operating (recurrent)	5,185	2,623	2,562	98%	3
Grants – operating (non-recurrent)	468	221	247	112%	4
Grants – capital (recurrent)	1,396	671	725	108%	5
Grants – capital (non-recurrent)	1,539	1,048	491	47%	6
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	155	-	155	-%	7
Fair value adjustments for investment property	16	-	16	-%	
Share of net profits/(loss) of joint arrangement	10	-	10	-%	
Other income	1,008	622	386	62%	8
Total income	18,890	14,394	4,495	31%	
Expenses					
Employee costs and benefits	5,566	6,230	664	11%	9
Materials and services	4,136	3,405	(731)	(21%)	10
Depreciation and amortisation	3,580	4,121	541	13%	11
Borrowing costs	17	8	(9)	(113%)	12
Other expenses	267	758	491	65%	13
Total expenses	13,566	14,522	957	7%	
Surplus/ (deficit) for the year	5,324	(128)	5,452	4,252%	

Explanation of material variations

Ref	Item	Explanation
1	Rates and charges	Council conducted an internal audit of its rating system and kerbside collection charges. This audit highlighted a number of properties throughout the Shire that were not being charged correctly for the services they were receiving. This audit, as well as supplementary valuations throughout the year, generated an additional \$161,000 of income. Council also received charges in lieu of rates from prior years resulting in additional income of \$30,000.
2	User fees	The Tallangatta Early Years Learning Centre was budgeted to be operating at full capacity for 2017/18. This has not yet been achieved. Council budgeted to receive \$486,000 in childcare fees and received \$202,000. There were significant offsetting expenditure savings in salaries and wages for the Tallangatta Early Years Learning Centre (refer to Ref 9).

Financial Statements

Notes to the financial statements (continued)

Ref	Item	Explanation
3	Grants – operating (recurrent)	In June 2018, Council received \$2,202,000 of the 2018/19 Financial Assistance Grants in advance from the Victorian Grants Commission. This amount equates to approximately half of the 2018/19 grant allocation.
4	Grants – operating (non-recurrent)	Council received a number of non-recurrent operating grants that were unbudgeted. These included: <ul style="list-style-type: none"> - \$70,000 for the Tallangatta netball court upgrade - \$70,000 for a planning feasibility study - \$45,000 for the Narrows feasibility study - \$41,000 for Supported Playgroups.
5	Grants – capital (recurrent)	Council received the final year's allocation of funding (\$725,000) from the current Roads to Recovery program. This was originally due to be received in 2018/19.
6	Grants – capital (non-recurrent)	Council secured a number of non-recurrent capital grants that were unbudgeted. These included: <ul style="list-style-type: none"> - \$130,000 for the Great River Road project - \$100,000 for the Connecting Corryong project (Hanson St) - \$100,000 for the Walwa streetscape upgrade - \$90,000 for the Tintaldra boat ramp upgrade.
7	Net gain/(loss) on disposal of property, infrastructure, plant and equipment	Gains on sales of property, infrastructure, plant and equipment is not budgeted as it is usually uncertain which assets may be disposed of at the time of preparing the budget. The major contributing item to the gain on disposal was the sale of a grader for \$100,000.
8	Other income	Council received \$249,000 of interest income above budgeted levels due to cash holdings being greater than originally anticipated.
9	Employee costs and benefits	There were significant savings in employee costs and benefits due to a number of factors including: <ul style="list-style-type: none"> - the Tallangatta Early Years Learning Centre not operating at full capacity - a number of positions remaining vacant for longer than anticipated - planning services and maternal and child health services operating at reduced resourcing levels Some of these vacancies were filled using contractors, which fall under the Materials and services expense category.

Financial Statements

Notes to the financial statements (continued)

Ref	Item	Explanation
10	Materials and services	<p>Council had a number of expenses that were not budgeted in 2017/18. These included:</p> <ul style="list-style-type: none">- \$787,000 for works to repair infrastructure due to flood damage. It is anticipated that a significant proportion of this expenditure will be reimbursed through the Natural Disaster Financial Assistance (NDFA) program- \$70,000 for the Tallangatta netball court upgrade <p>Council also had a number of expense savings in 2017/18. These included:</p> <ul style="list-style-type: none">- \$127,000 in other costs of operating the Tallangatta Early Years Learning Centre (e.g. materials and other supplies)- \$79,000 in relation to the operational costs of the bushfire camera network.
11	Depreciation	<p>Depreciation for 2017/18 was significantly less than budgeted due to a number of factors including:</p> <ul style="list-style-type: none">- the delay in the Corryong Landfill Cell # 2 being approved for use by the Environment Protection Authority- a number of plant items not yet purchased. These will be purchased in 2018/19- a number of significant infrastructure projects that are not yet complete.
12	Borrowing costs	Council entered into a finance lease for a garbage truck purchase in 2017/18.
13	Other expenses	Council's contribution of \$500,000 for the Upper Murray Events Centre will be incurred later than anticipated. This expense budget will be carried forward into 2018/19.

Financial Statements

Notes to the financial statements (continued)

1.2 Capital works

	Actual	Budget	Carry forward funds from prior years	Total available for Capital Works	Variance to Total available for Capital Works		Ref
	2018 \$'000	2018 \$'000	2018 \$'000	2018 \$'000	\$'000	%	
Property							
Buildings	677	75	1,288	1,363	686	50%	1
Total buildings	677	75	1,288	1,363	686	50%	
Total property	677	75	1,288	1,363	686	50%	
Plant and equipment							
Plant, machinery and equipment	1,298	998	-	998	(300)	(30%)	2
Library books	30	30	-	30	-	-%	
Computers and telecommunications	18	77	500	577	559	77%	3
Total plant and equipment	1,346	1,105	500	1,605	259	16%	
Infrastructure							
Roads	3,165	2,771	860	3,631	466	13%	4
Bridges	268	100	-	100	(168)	(168%)	5
Footpaths and cycleways	266	180	300	480	214	45%	6
Kerb and channel	480	655	82	737	257	35%	7
Drainage	26	30	68	98	72	73%	8
Guardrail	6	30	7	37	31	84%	9
Parks, open space and streetscapes	411	1,939	280	2,219	1,808	81%	10
Landfill	219	-	200	200	(19)	(10%)	
Aerodrome	18	-	234	234	216	92%	11
Other infrastructure	219	-	863	863	644	75%	12
Total infrastructure	5,078	5,705	2,894	8,599	3,521	41%	
Total capital works expenditure	7,101	6,885	4,682	11,567	4,466	39%	

Financial Statements

Notes to the financial statements (continued)

	Actual	Budget	Carry forward funds from prior years	Total available for Capital Works	Variance to Total available for Capital Works		Ref
	2018 \$'000	2018 \$'000	2018 \$'000	2018 \$'000	\$'000	%	
Represented by:							
New asset expenditure	472	563	840	1,403	931	66%	
Asset renewal expenditure	5,580	5,647	2,758	8,405	2,825	34%	
Asset upgrade expenditure	1,049	675	1,084	1,759	710	40%	
Asset expansion expenditure	-	-	-	-	-	-	
Total capital works expenditure	7,101	6,885	4,682	11,567	4,466	39%	

Financial Statements

Notes to the financial statements (continued)

Explanation of material variations

Ref	Item	Explanation
1	Buildings	Capital works for the Tallangatta Caravan Park of \$730,000 and the shopfronts and verandahs on Towong Street Tallangatta of \$150,000 will be carried forward to 2018/19 in accordance with delivery of the Destination Tallangatta project. There was also unbudgeted works of \$234,000 on the Tallangatta Boat Ramp upgrade with \$187,000 of this funded by the State Government.
2	Plant, machinery and equipment	The garbage truck purchase of \$390,000 was budgeted in 2016/17 however was not included as part of the carried forward funds. The trailers budgeted to be purchased of \$115,000 in 2017/18 will be purchased in 2018/19.
3	Computers and telecommunications	The wireless infrastructure project of \$300,000 and Finance system upgrade of \$200,000 will be carried forward into 2018/19.
4	Roads	Resealing Towong Street of \$514,000 will be carried forward to 2018/19 in accordance with delivery of the Destination Tallangatta project. Additional works were carried out on Georges Creek Road due to the Roads to Recovery funding being brought forward into 2017/18 from 2018/19.
5	Bridges	A major culvert was replaced on Lake Road due to the Roads to Recovery funding being brought forward into 2017/18 from 2018/19.
6	Footpaths and cycleways	Strategic path works of approximately \$200,000 comprising of Destination Tallangatta (\$100,000) and Corryong (\$100,000) will be carried forward to 2018/19. These works were delayed to enable them to be delivered as part of a more significant grant funded capital project.
7	Kerb and channel	Significant kerb and channel works in Corryong were put on hold whilst awaiting the decision of the Building Better Regions funding application. It has since been announced that this application was unsuccessful and the planned works will now be scheduled in 2018/19.
8	Drainage	Budgeted drainage works for Wise Street Bethanga of \$40,000 will be carried forward and will be included as part of the larger Bethanga streetscape works budgeted for 2019/20. Drainage renewal in Tallangatta of \$20,000 will be carried forward into 2018/19 in accordance with delivery of the Destination Tallangatta project.

Financial Statements

Notes to the financial statements (continued)

Ref	Item	Explanation
9	Guardrail	The balance of guardrail works will be carried forward into 2018/19 as sealing works were not completed in time for a suitable contractor to install the guardrail before the end of the financial year.
10	Parks, open space and streetscapes	Timing of works being carried out is the main reason for this large variance. It is made up of the following projects: <ul style="list-style-type: none"> - Tallangatta foreshore works totalling \$969,000 and \$186,000 were carried out in 2016/17 and 2017/18 respectively with the budget for this project being \$286,000 and \$837,568 in 2016/17 and 2017/18 respectively. - The Walwa streetscape project has not progressed as budgeted (\$600,000) with the majority of this project being carried forward to 2018/19 to allow further community engagement to take place.
11	Aerodrome	The remaining budget will be carried forward to 2018/19 for completion of resealing the taxi areas, new hangars, parking, signage and landscaping.
12	Other infrastructure	Works on the Great River Road, underground power in Towong Street Tallangatta have commenced and the remaining budgets will be carried forward to 2018/19. The allocation of \$150,000 for Upper Murray 2030 projects will also be carried forward to 2018/19.

Note 2. Funding for the delivery of our services

2.1 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 2017/18 was \$1,378 million (2016/17 \$1,378 million). The 2017/18 rate in the CIV dollar was 0.4017 cents to 1.6067 cents (2016/17 0.3805 cents to 1.5221 cents).

	2018 \$'000	2017 \$'000
Residential general rates	1,287	1,205
Business general rates	163	154
Rural residential general rates	957	894
Rural general rates	3,375	3,195
Undeveloped residential general rates	134	88
Municipal charge	1,107	1,020
Kerbside collection charge	845	781
Waste facilities management charge	397	386
Revenue in lieu of rates	79	48
Total rates and charges	8,344	7,771

Financial Statements

Notes to the financial statements (continued)

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

Annual rates and charges are recognised as revenue when Council issues annual rates notices. Supplementary rates are recognised when a valuation and reassessment is completed and a supplementary rates notice issued.

2.2 Statutory fees and charges

	2018 \$'000	2017 \$'000
Land information certificates	8	6
Health registration fees	39	26
Permits	87	101
Town planning fees	60	54
Total statutory fees and fines	194	187

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.

2.3 User fees

	2018 \$'000	2017 \$'000
Children's program fees	247	94
External private works	4	11
Refuse disposal fees	186	174
Saleyard dues	13	20
Septic tank fees	5	8
Swimming pool fees	38	42
Valuation fees/supplementary charges	-	2
Other fees and charges	82	66
Total user fees	575	417

User fees are recognised as revenue when the service has been provided or Council has otherwise earned the income.

Financial Statements

Notes to the financial statements (continued)

2.4 Funding from other levels of government

Grants were received in respect of the following:

	2018 \$'000	2017 \$'000
Summary of grants		
Commonwealth funded grants	6,736	8,335
State funded grants	1,852	2,081
Total	8,588	10,416
a) Operating Grants		
Recurrent - Commonwealth Government		
Financial Assistance Grants – General Purpose	2,691	3,454
Financial Assistance Grants – Local Roads	1,851	2,134
Recurrent - State Government		
Family and children	456	480
Community	112	110
Emergency services	60	60
School crossing supervisors	15	9
Total recurrent operating grants	5,185	6,247
Non-recurrent – State Government		
Community	122	132
Family and children	75	92
Infrastructure	101	227
Environment	37	59
Corporate	-	42
Planning	70	-
Economic development	63	54
Total non-recurrent operating grants	468	606
Total operating grants	5,653	6,853

Financial Statements

Notes to the financial statements (continued)

	2018 \$'000	2017 \$'000
b) Capital Grants		
Recurrent – Commonwealth Government		
Roads to Recovery	1,396	2,214
Recurrent – State Government		
Local Government Infrastructure Program	-	-
Total recurrent capital grants	1,396	2,214
Non-recurrent – Commonwealth Government		
Infrastructure - National Stronger Regions Fund	798	532
Non-recurrent – State Government		
Infrastructure (buildings)	79	100
Family and children	-	12
Other infrastructure	662	705
Total non-recurrent capital grants	1,539	1,349
Total capital grants	2,935	3,563
Total Grants	8,588	10,416

	2018 \$'000	2017 \$'000
c) Unspent grants received on condition that they be spent in a specific manner		
Balance at start of year	1,301	1,844
Received during the financial year and remained unspent at balance date	1,051	823
Received in prior years and spent during the financial year	(999)	(1,366)
Balance at year end	1,353	1,301

Grant income is recognised when Council obtains control of the contribution. Control is normally obtained upon receipt (or acquittal).

Financial Statements

Notes to the financial statements (continued)

2.5 Net gain/(loss) on disposal of property, infrastructure, plant and equipment

	2018 \$'000	2017 \$'000
Proceeds of sale	224	13
Written down value of assets disposed	(69)	(120)
Total net gain/(loss) on disposal of property, infrastructure, plant and equipment	155	(107)

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

2.6 Other income

	2018 \$'000	2017 \$'000
Interest	383	315
Interest on rates	53	43
Community contributions	10	162
Other rent	56	69
Shared service	144	112
Secretariat fees	150	148
Other	212	245
Total other income	1,008	1,094

Interest is recognised as it is earned. 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.

Note 3. The costs of delivering services

3.1 Employee costs and benefits

	2018 \$'000	2017 \$'000
Wages and salaries	4,501	4,029
WorkCover	80	75
Annual leave and long service leave	465	438
Superannuation	488	391
Fringe benefits tax	32	31
Total employee benefits	5,566	4,964

Financial Statements

Notes to the financial statements (continued)

Superannuation

Council made contributions to the following funds:

	2018 \$'000	2017 \$'000
Defined benefit funds		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	52	52
	52	52
Employer contributions payable at reporting date	-	-
Accumulation funds		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	182	159
Employer contributions to other funds	238	180
	420	339
Employer contributions payable at reporting date	16	50
Total Superannuation	488	391

Refer to Note 8.3 for further information relating to Council's superannuation obligations.

3.2 Materials and services

	2018 \$'000	2017 \$'000
Materials and services	2,009	2,298
Contract payments	359	350
Maintenance – buildings, towns, parks and gardens	1,071	872
Plant and equipment maintenance	545	486
Utilities	152	129
Total materials and services	4,136	4,135

3.3 Depreciation and amortisation

	2018 \$'000	2017 \$'000
Property	645	543
Plant and equipment	517	483
Infrastructure	2,360	2,419
Landfill airspace amortisation	58	124
Total depreciation and amortisation	3,580	3,569

Financial Statements

Notes to the financial statements (continued)

Refer to Note 4.2(c) and 5.1 for a more detailed breakdown of depreciation and amortisation charges and accounting policy.

3.4 Borrowing costs

	2018 \$'000	2017 \$'000
Bank fees and overdraft charges	6	6
Interest - Finance leases	11	-
Total borrowing costs	17	6

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.

3.5 Other expenses

	2018 \$'000	2017 \$'000
Auditors' remuneration – Victorian Auditor General's Office (VAGO) – audit of Financial Statements, Performance Statement and grant acquittals	30	26
Councillors' allowances	156	153
Contributions	81	50
Total other expenses	267	229

Note 4. Our financial position

4.1 Financial assets

a) Cash and cash equivalents

	2018 \$'000	2017 \$'000
Cash on hand	1	1
Cash at bank	262	392
Money market call account	2,489	3,138
Term deposits (original maturity less than 3 months)	-	1,000
Total cash and cash equivalents	2,752	4,531

b) Other financial assets

	2018 \$'000	2017 \$'000
Term deposits (current)	15,010	11,485
Total other financial assets	15,010	11,485

Financial Statements

Notes to the financial statements (continued)

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. Other financial assets are valued at fair value at balance date.

Term deposits are measured at original cost. Any unrealised gains and losses on holdings at balance date are recognised as either a revenue or expense.

	2018 \$'000	2017 \$'000
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:		
- Trust funds and deposits (Note 4.3)	298	324
Restricted Funds	298	324
Total unrestricted cash and cash equivalents	2,377	4,207
Intended allocations		
Although not externally restricted the following amount has been allocated for specific future purposes by Council:		
- Cash held to fund carried forward capital works	4,466	3,762
- Cash held to fund future defined benefits call	500	300
	4,966	4,062

c) Trade and other receivables

	2018 \$'000	2017 \$'000
Current		
<i>Statutory receivables</i>		
Rates debtors	645	627
Walwa Waste Water Supply Scheme debtors	31	32
Eskdale Water Supply Scheme debtors	5	5
Fire Services Property Levy debtors	88	78
<i>Other debtors</i>		
Sundry debtors	629	345
Net GST receivable	201	218
Other debtors	1	-
Total current trade and other receivables	1,600	1,305
Non-current		
<i>Statutory receivables</i>		
Walwa Waste Water Supply Scheme debtors	93	118
Eskdale Water Supply Scheme debtors	5	7
Total non-current trade and other receivables	98	125
Total trade and other receivables	1,698	1,430

Financial Statements

Notes to the financial statements (continued)

Ageing of sundry debtors

Short-term receivables are carried at invoice amount. 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:

	2018 \$'000	2017 \$'000
Current (not yet due)	609	293
Past due by up to 30 days	5	33
Past due between 31 and 180 days	9	9
Past due between 181 and 365 days	2	1
Past due by more than 1 year	4	9
Total sundry debtors	629	345

4.2 Non-financial assets

a) Inventories

	2018 \$'000	2017 \$'000
Inventories held for distribution	307	479
Total inventories	307	479

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

b) Other assets

	2018 \$'000	2017 \$'000
Current		
Prepayments	39	52
Accrued income	205	65
Total other assets	244	117

c) Intangible assets

	2018 \$'000	2017 \$'000
Landfill air space	444	58
Total intangible assets	444	58

Financial Statements

Notes to the financial statements (continued)

Intangible assets with finite lives are amortised as an expense on a systematic basis over the asset's useful life. Amortisation is generally calculated on a straight line basis, at a rate that allocates the asset value less any estimated residual value, over its estimated useful life.

Estimates of the remaining useful lives and amortisation method are reviewed at least annually and adjustments made where appropriate.

	Landfill \$'000
Gross carrying amount	
Balance at 1 July 2017	542
Reclassification	-
Additions	386
Balance at 30 June 2018	928
Accumulated amortisation and impairment	
Balance at 1 July 2017	(484)
Reclassification	58
Amortisation expense	(58)
Balance at 30 June 2018	484
Net book value at 30 June 2017	58
Net book value at 30 June 2018	444

4.3 Payables

a) Trade and other payables

	2018 \$'000	2017 \$'000
Trade payables	7	806
Accrued wages	186	143
Prepaid income	57	102
Accrued expenses	567	52
Total trade and other payables	817	1,103

b) Trust funds and deposits

	2018 \$'000	2017 \$'000
Retention amounts	134	68
Fire Services Property Levy	128	195
Refundable deposits	36	61
Total trust funds and deposits	298	324

Financial Statements

Notes to the financial statements (continued)

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. Trust funds that are forfeited, resulting in Council gaining control of the funds, are to be recognised as revenue at the time of forfeit.

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 warranty 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.

4.4 Interest-bearing liabilities

	2018 \$'000	2017 \$'000
Current		
Borrowings	-	-
Finance leases	52	-
	52	-
Non-current		
Borrowings	9	12
Finance leases	296	-
	305	12
Total interest-bearing liabilities	357	12

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

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

Financial Statements

Notes to the financial statements (continued)

	2018 \$'000	2017 \$'000
Borrowings are secured by Council rates.		
i. The maturity profile for Council's borrowings is:		
Not later than one year	2	2
Later than one year and not later than five years	7	10
Later than five years	-	-
	9	12
ii. The maturity profile for Council's finance lease liabilities is:		
Not later than one year	52	-
Later than one year and not later than five years	296	-
Later than five years	-	-
	348	-

Council has a finance lease in place for a garbage truck over a five year period. Monthly instalments are payable with a residual payable at the end of the lease.

4.5 Provisions

	Employee \$'000	Landfill restoration \$'000	Total \$'000
2018			
Balance at beginning of the financial year	1,246	525	1,771
Additional provisions	521	489	1,010
Amounts used	(444)	(29)	(473)
Balance at the end of the financial year	1,323	985	2,308
2017			
Balance at beginning of the financial year	1,211	541	1,752
Additional provisions	473	-	473
Amounts used	(438)	(16)	(454)
Balance at the end of the financial year	1,246	525	1,771

Financial Statements

Notes to the financial statements (continued)

	2018 \$'000	2017 \$'000
Current provisions		
Employee provisions	1,225	1,151
Total current provisions	1,225	1,151
Non-current provisions		
Employee provisions	98	95
Landfill restoration	986	525
Total non-current provisions	1,084	620
Total provisions	2,308	1,771

a) Employee provisions

	2018 \$'000	2017 \$'000
Current provisions expected to be wholly settled within 12 months		
Annual leave	312	297
Long service leave	90	84
Flexi time	10	13
	412	394
Current provisions expected to be wholly settled after 12 months		
Long service leave (90% of current LSL provision)	812	757
	812	757
Total current employee provisions	1,224	1,151
Non-current		
Long service leave	98	95
Total non-current employee provisions	98	95
Aggregate carrying amount of employee benefits:		
Current	1,224	1,151
Non-current	98	95
Total aggregate carrying amount of employee provisions	1,322	1,246

The calculation of employee costs and benefits includes all relevant on-costs and are calculated at reporting date using assumptions for wage inflation and discount rates per the long service leave update issued by the Department of Treasury and Finance at 30 June 2018.

Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulated flexi time expected to be wholly settled within 12 months of the reporting date are recognised in

Financial Statements

Notes to the financial statements (continued)

the provision for employee benefits in respect of employee services up to the reporting date, classified as current liabilities and measured at their nominal values.

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

Long service leave

Liability for long service leave is recognised in the provision for employee benefits. Long service leave is measured at present value. Unconditional long service is disclosed as a current liability. Conditional long service leave that has been accrued, where an employee is yet to reach a qualifying term of employment, is disclosed as a non-current liability.

(b) Landfill restoration

	2018 \$'000	2017 \$'000
Current	-	-
Non-current	986	525
Total	986	525

Council is obligated to restore the Corryong Landfill site located on Sugarloaf Road Corryong to an agreed 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.

4.6 Financing arrangements

Council has the following funding arrangements in place as at 30 June.

	2018 \$'000	2017 \$'000
Master lease	400	-
Credit card facility	25	25
Total facilities	425	25
Used facilities	353	-
Unused facilities	72	25

4.7 Commitments

Council has entered into the following commitments. Commitments are not recognised in the Balance Sheet. Commitments are disclosed at their normal value and presented inclusive of the GST payable.

Financial Statements

Notes to the financial statements (continued)

2018	Not later than 1 year	1 to 2 years	2 to 5 years	Later than 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Operating	-	-	-	-	-
Total	-	-	-	-	-
Capital					
Reseal program	600	-	-	-	600
Digouts/major patching	400	-	-	-	400
Total	1,000	-	-	-	1,000

2017	Not later than 1 year	1 to 2 years	2 to 5 years	Later than 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Operating	-	-	-	-	-
Total	-	-	-	-	-
Capital					
Reseal program	600	-	-	-	600
Garbage truck	430	-	-	-	430
Digouts/major patching	400	-	-	-	400
Total	1,430	-	-	-	1,430

Operating lease commitments

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):

	2018 \$'000	2017 \$'000
Not later than one year	22	21
Later than one year and not later than five years	47	69
Later than five years	-	-
	69	90

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

Financial Statements

Notes to the financial statements (continued)

Note 5. Assets we manage

5.1 Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment

	At fair value 30 June 2017	Acquisitions	Revaluation	Change in accounting policy	Depreciation	Disposal	Transfers	Reclassi- fication	At fair value 30 June 2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property	25,166	-	-	5,691	(645)	-	1,882	(602)	31,492
Plant and equipment	2,330	1,345	-	-	(516)	(66)	-	-	3,093
Infrastructure	158,226	-	123	-	(2,361)	-	2,720	-	158,708
Work in progress	1,548	5,755	-	-	-	-	(4,602)	-	2,701
	187,270	7,100	123	5,691	(3,522)	(66)	-	(602)	195,994

Summary of work in progress (WIP)

	Opening WIP \$'000	Additions \$'000	Transfers \$'000	Reclassification \$'000	Closing WIP \$'000
Property	95	980	(1,882)	958	151
Plant and equipment	-	-	-	-	-
Infrastructure	1,453	4,775	(2,720)	(958)	2,550
	1,548	5,755	(4,602)	-	2,701

Financial Statements

Notes to the financial statements (continued)

Asset recognition thresholds and depreciation periods

	2018	2017
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	2018 \$'000	2017 \$'000
Land	Nil	Nil
Buildings	5	5
Plant and equipment	1	1
Infrastructure	10	10

Financial Statements

Notes to the financial statements (continued)

a) Property

Property	Land - specialised \$'000	Land – non specialised \$'000	Total Land \$'000	Buildings \$'000	Total land and buildings \$'000	Work in progress (WIP) \$'000	Total property including WIP \$'000
At fair value 1 July 2017	1,545	4,911	6,456	30,096	36,552	95	36,647
Accumulated depreciation at 1 July 2017	-	-	-	(11,386)	(11,386)	-	(11,386)
Written down value at 1 July 2017	1,545	4,911	6,456	18,710	25,166	95	25,261
Movements in fair value							
Additions	-	-	-	-	-	980	980
Revaluation increments/ (decrements)	-	-	-	-	-	-	-
Change in accounting policy	5,691	-	5,691	-	5,691	-	5,691
Disposals	-	-	-	-	-	-	-
Transfers	-	-	-	1,882	1,882	(1,882)	-
Reclassification	-	(120)	(120)	(585)	(705)	958	253
Total movements in fair value	5,691	(120)	5,571	1,297	6,868	56	6,924
Movements in accumulated depreciation							
Depreciation	-	-	-	(645)	(645)	-	(645)
Revaluation increments/ (decrements)	-	-	-	-	-	-	-
Accumulated depreciation of disposals	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
Reclassification	-	-	-	102	102	-	102
Total movements in accumulated depreciation	-	-	-	(543)	(543)	-	(543)
At fair value 30 June 2018	7,236	4,791	12,027	31,393	43,420	151	43,571
Accumulated depreciation at 30 June 2018	-	-	-	(11,929)	(11,929)	-	(11,929)
Written down value at 30 June 2018	7,236	4,791	12,027	19,464	31,491	151	31,642

Financial Statements

Notes to the financial statements (continued)

b) Plant and equipment

Plant and equipment	Plant, machinery and equipment \$'000	Fixtures, fittings and furniture \$'000	Computers \$'000	Library books \$'000	Total plant and equipment \$'000
At fair value 1 July 2017	6,780	17	421	66	7,284
Accumulated depreciation at 1 July 2017	(4,570)	(17)	(361)	(6)	(4,954)
Written down value at 1 July 2017	2,210	-	60	60	2,330
Movements in fair value					
Additions	1,297	-	18	30	1,345
Revaluation increments/ (decrements)	-	-	-	-	-
Disposals	(704)	-	(21)	-	(725)
Transfers	-	-	-	-	-
Total movements in fair value	594	-	(3)	30	620
Movements in accumulated depreciation					
Depreciation	(472)	-	(35)	(9)	(516)
Revaluation increments/ (decrements)	-	-	-	-	-
Accumulated depreciation of disposals	638	-	21	-	659
Transfers	-	-	-	-	-
Total movements in accumulated depreciation	166	-	(14)	(9)	143
At fair value 30 June 2018	7,373	17	418	96	7,904
Accumulated depreciation at 30 June 2018	(4,405)	(17)	(375)	(15)	(4,815)
Written down value at 30 June 2018	2,969	-	43	81	3,093

Financial Statements

Notes to the financial statements (continued)

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 2017	174,697	25,659	1,639	9,198	7,866	485	323	243	220,110	1,453	221,563
Accumulated depreciation at 1 July 2017	(41,500)	(11,597)	(692)	(3,731)	(4,071)	(28)	(222)	(43)	(61,884)	-	(61,884)
Written down value at 1 July 2017	133,197	14,062	947	5,467	3,795	457	101	200	158,226	1,453	159,679
Movements in fair value											
Additions	-	-	-	-	-	-	-	-	-	4,775	4,775
Revaluation increments/ (decrements)	(5,629)	(2,739)	747	-	(229)	-	-	-	(7,850)	-	(7,850)
Disposals	-	-	-	-	-	-	-	-	-	-	-
Transfers	2,069	268	266	26	85	-	-	6	2,720	(2,720)	-
Reclassification	-	-	-	-	-	-	-	-	-	(958)	(958)
Total movements in fair value	(3,560)	(2,471)	1,013	26	(144)	-	-	6	(5,130)	1,097	(4,033)
Movements in accumulated depreciation											
Depreciation	(1,895)	(220)	(28)	(77)	(88)	(24)	(8)	(21)	(2,361)	-	(2,361)
Revaluation increments/ (decrements)	5,933	2,035	(315)	-	320	-	-	-	7,973	-	7,973
Accumulated depreciation of disposals	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-	-
Reclassification	-	-	-	-	-	-	-	-	-	-	-
Total movements in accumulated depreciation	4,038	1,815	(343)	(77)	232	(24)	(8)	(21)	5,612	-	5,612
At fair value 30 June 2018	171,137	23,188	2,652	9,224	7,722	485	323	249	214,980	2,550	217,530
Accumulated depreciation at 30 June 2018	(37,462)	(9,782)	(1,035)	(3,808)	(3,839)	(52)	(230)	(64)	(56,272)	-	(56,272)
Written down value at 30 June 2018	133,675	13,406	1,617	5,416	3,883	433	93	185	158,708	2,550	161,258

Financial Statements

Notes to the financial statements (continued)

Acquisition

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

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

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

Land under roads

Council recognises land under roads it controls at fair value.

Depreciation and amortisation

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.

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.

Finance leases

Leases of assets where substantially all the risks and rewards incidental to ownership of the asset are transferred to the Council are classified as finance leases. Finance leases are capitalised, recording an asset and a liability at the lower of the fair value of the asset and the present value of the minimum lease payments, including any guaranteed residual value. Lease payments are allocated between the reduction of the lease liability and the interest expense. Leased assets are depreciated on a straight line basis over their estimated useful lives to the Council where it is likely that the Council will obtain ownership of the asset or over the term of the lease, whichever is the shorter. Leased assets are currently being amortised over a 5 year period.

Repairs and maintenance

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.

Financial Statements

Notes to the financial statements (continued)

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 30 June 2017. The valuation of land and buildings is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Where land use is restricted through existing planning provisions the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the Comprehensive Income Statement.

Valuation of specialised land was undertaken by a qualified independent valuer (Marcus Hann, 62901, of LG Valuation Services Pty Ltd, ABN 77 095 763 625) as at 1 January 2018. 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 2018 are as follows:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Date of valuation
Land	-	1,011	3,780	30 June 2017
Land under roads	-	-	7,236	1 Jan 2018
Buildings	-	1,582	17,882	30 June 2017
Total	-	2,593	28,898	

Valuation of infrastructure

An independent valuation of Council's roads, footpaths, bridges and kerb and channel assets was performed by Peter Moloney from Moloney Asset Management Systems. The effective date of the valuation is 1 August 2017, for all infrastructure assets other than drainage assets. The valuation is at fair value based on replacement cost less accumulated depreciation as at the date of valuation.

A valuation of Council's drainage assets was performed by Ms. Rachael Gadd (B Eng., Dip Ed), Council's Civil Asset Engineer, effective 30 June 2016. The valuation is at fair value based on replacement cost less accumulated depreciation as at the date of valuation.

Financial Statements

Notes to the financial statements (continued)

Details of Council's infrastructure and information about the fair value hierarchy as at 30 June 2018 are as follows:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Date of valuation
Roads	-	-	133,675	1 Aug 2017
Bridges	-	-	13,406	1 Aug 2017
Footpaths and cycleways	-	-	1,617	1 Aug 2017
Drainage	-	-	5,416	30 Jun 2016
Parks, open space and streetscapes	-	-	433	
Kerb and channel	-	-	3,883	1 Aug 2017
Landfill	-	-	93	
Other infrastructure	-	-	185	
Total	-	-	158,708	

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 75% 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 \$1,800 and \$318,500.

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 \$4,000 to \$3,186,000. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 5 years to 50 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.

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

Reconciliation of specialised land

	2018 \$'000	2017 \$'000
Land under roads	7,236	1,545
Total	7,236	1,545

Financial Statements

Notes to the financial statements (continued)

5.2 Investments in joint arrangements

	2018 \$'000	2017 \$'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>		
Fair value of Council's investment in MomentumOne Shared Services Pty Ltd		
Council's share of accumulated surplus/(deficit)		
Council's share of accumulated surplus(deficit) at start of year:		
Reported surplus/(deficit) for year	10	14
Transfers (to) from reserves	-	-
Distributions for the year	-	-
Council's share of accumulated surplus(deficit) at end of year		14
Council's share of reserves		
Council's share of reserves at start of year	-	-
Transfers (to) from reserves	-	-
Council's share of reserves at end of year	-	-
Movement in carrying value of specific investment		
Carrying value of investment at start of year	35	21
Investment in associate (start-up capital)	-	-
Share of surplus/(deficit) for year	10	14
Share of asset revaluation	-	-
Distributions received	-	-
Carrying value of investment at end of year	45	35
Council's share of expenditure commitments		
Operating commitments	-	-
Capital commitments	-	-
Council's share of expenditure commitments	-	-

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 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

Financial Statements

Notes to the financial statements (continued)

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 Council and Towong Shire Council with each Council holding a 50% share in the company and will share 50% of the post-acquisition profits or losses.

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.

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. Council has one Section 86 Committee of Management, however the transactions are not considered material, therefore have not been included in this financial report.

5.3 Investment property

	2018 \$'000	2017 \$'000
Balance at beginning of financial year	421	-
Reclassifications	603	173
Additions	-	342
Disposals	-	(38)
Fair value adjustments	16	(56)
Balance at end of financial year	1,040	421

Investment property is held to generate long-term rental yields. Investment property is measured initially at cost, including transaction costs. Costs incurred subsequent to initial acquisition are capitalised when it is probable that future economic benefit in excess of the originally assessed performance of the asset will flow to the Council. Subsequent to initial recognition at cost, investment property is carried at fair value, determined annually by independent valuers. Changes to fair value are recorded in the Comprehensive Income Statement in the period that they arise.

Valuation of investment property

Valuation of investment property has been determined in accordance with an independent valuation by Marcus Hann, 62901, of LG Valuation Services Pty Ltd, ABN 77 095 763 625 who has recent experience in the location and category of the property being valued. The valuation for 2017 is at fair value, based on the depreciated replacement cost of the property at 30 June 2017. The valuation for 2018 is at fair value, based on the market value for the property at 23 April 2018.

Financial Statements

Notes to the financial statements (continued)

Note 6. People and relationships

6.1 Council and key management remuneration

a) Related parties

Parent entity

Towong Shire Council is the parent entity.

Subsidiaries and Associates

Interests in joint arrangements are detailed in Note 5.2.

b) Key Management Personnel

Details of persons holding the position of Councillor or other members of Key Management Personnel (KMP) at Council at any time during the year are:

• Councillors

- Cr Aaron Scales
- Councillor (1 Jul 2017 to 13 Nov 2017)
- Mayor (14 Nov 2017 to 30 Jun 2018)
- Cr David Wortmann
- Mayor (1 Jul 2017 to 14 Nov 2017)
- Councillor (15 Nov 2017 to 30 Jun 2018)
- Cr Jennie Star (1 Jul 2017 to 30 Jun 2018)
- Cr Peter Tolsher (1 Jul 2017 to 30 Jun 2018)
- Cr Andrew Whitehead (1 Jul 2017 to 30 Jun 2018)

• Key Management Personnel

- Juliana Phelps – Chief Executive Officer
- Jamie Heritage – Director Technical Services
- Jo Shannon – Director Community and Corporate Services

	2018	2017
Total number of Councillors	5	8
Chief Executive Officer and other Key Management Personnel	3	3
Total Key Management Personnel	8	11

c) Remuneration of key management personnel

Total remuneration of Key Management Personnel was as follows:

Financial Statements

Notes to the financial statements (continued)

	2018 \$'000	2017 \$'000
Short-term benefits	728	708
Post-employment benefits	49	49
Long-term benefits	13	9
Termination benefits	-	-
Total	790	766

The numbers of Key Management Personnel whose total remuneration from Council and any related entities, fall within the following bands:

	2018	2017
\$0 - \$9,999	-	3
\$10,000 - \$19,999	-	3
\$20,000 - \$29,999	3	1
\$30,000 - \$39,999	1	-
\$50,000 - \$59,999	1	-
\$60,000 - \$69,999	-	1
\$160,000 - \$169,999	-	1
\$170,000 - \$179,999	1	1
\$180,000 - \$189,999	1	-
\$210,000 - \$219,999	1	1
Total	8	11

d) Senior officers remuneration

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

- has management responsibilities and reports directly to the Chief Executive Officer; or
- whose total annual remuneration exceeds \$145,000 (2016/17: \$142,000).

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

	2018	2017
<\$145,000	4	2
	4	2
	\$'000	\$'000
Total Remuneration for the reporting year for Senior Officers included above amounted to:	148	184

There were two positions reporting direct to the CEO in both 2017 and 2018. The incumbents resigned to pursue other opportunities and new Council officers were recruited into these vacancies. This resulted in four Senior Officers being recognised in 2018 and a remuneration saving whilst the positions were vacant.

Financial Statements

Notes to the financial statements (continued)

6.2 Related party disclosure

a) Transactions with related parties

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

	2018 \$'000	2017 \$'000
Income		
Fees and charges to entities controlled by KMP (1)	164	148
Total income	164	148
Expenses		
Purchases of materials or services from joint arrangements (2)	67	74
Purchases of materials or services from entities controlled by KMP (3)	99	83
Employee costs for close family members of KMP (4)	81	133
Total expenses	247	290
Total transactions	411	438

(1) Fees and charges to entities controlled by key management personnel

- Fees totalling \$164,428 were charged and paid by Rural Councils Victoria Incorporated (RCV). These fees were for the provision of secretariat services provided to RCV by Towong Shire Council. RCV is an incorporated association and Council's Chief Executive Officer, Ms Juliana Phelps is the Secretary. Council successfully tendered to provide the secretariat function to RCV.

(2) Purchases of materials or services from joint arrangements

- Labour hire fees of \$67,278 have been paid to MomentumOne Shared Services Pty Ltd. Council has a 50% shareholding in the company and has appointed Chief Executive Officer, Ms Juliana Phelps as a Director. The contract was awarded to MomentumOne Shared Services Pty Ltd in accordance with Council's Procurement Policy.

(3) Purchases of materials or services from entities controlled by key management personnel

- Membership fees of \$39,391 and additional tourism programs of \$22,550 were paid to Tourism North East. The membership fee is payable by all Councils wishing to have membership of Tourism North East. Council's Chief Executive Officer Ms Juliana Phelps is a Director. The Board comprises of CEOs of all participating Councils and a number of independent directors.

- Payments of \$23,423 were paid to the Dartmouth Community Progress Association for town maintenance services, where Councillor Aaron Scales is the Council representative of the association. The contract was awarded to the Dartmouth Community Progress Association in accordance with Council's Procurement Policy.

- Contributions to waste and recovery projects of \$7,144 were made to North East Waste and Resource Recovery Group (NEWRRG). Councillor Peter Tolsher is the Chair of the group. These contributions were payable by all Councils participating in the group.

Financial Statements

Notes to the financial statements (continued)

- A membership fee of \$3,300 was paid to Rural Councils Victoria Incorporated. Council's Chief Executive Officer Ms Juliana Phelps is the Secretary. This membership fee is payable by all rural Councils who wish to be members of this organisation.
- Payments amounting to \$2,745 were paid to Dartmouth Pub Pty Ltd for the annual provision of public toilets. Councillor Aaron Scales is the owner of the company. Due to the lack of standalone public toilet facilities in Dartmouth a contract has been negotiated to make the external toilet facilities at the pub available for public use throughout the year.
- A payment of \$450 was paid to the Upper Murray Business Directory for an advertisement in the annual business directory. Councillor Jennie Star is the owner of the Upper Murray Business Directory business. This advertisement has been placed since 2012 which is prior to Councillor Star's election as a Councillor.

(4) Employee costs for close family members of key management personnel

All close family members of key management personnel were employed through an arm's length process. They are paid in accordance with Council's Enterprise Agreement for the job they perform. Council employs approximately 100 staff members of which 2 are close family members of key management personnel.

- Council's Librarian Ms Jo Tolsher, is a close family member of Councillor Peter Tolsher. Ms Tolsher was employed by Council over seven years ago which is prior to Councillor Peter Tolsher's election to office in 2016.

- Council's Economic Development Officer Ms Kerissa Heritage, is a close family member of the Director Technical Services, Mr Jamie Heritage.

b) Outstanding balances with related parties

There are no outstanding balances with related parties.

c) Loans to/ from related parties

No loans have been made to or received from a related party.

d) Commitments to/from related parties

No commitments have been made to or received from a related party.

Note 7. Managing uncertainties

7.1 Contingent assets and liabilities

a) Contingent assets

Operating lease receivables

Council has entered into commercial property leases on its investment property, consisting of a surplus freehold office. This property held under an operating lease has a non-cancellable lease term of 1 year. The lease includes a CPI based revision of the rental charge annually.

Financial Statements

Notes to the financial statements (continued)

Future minimum rentals receivable under non-cancellable operating leases are as follows:

	2018 \$'000	2017 \$'000
Not later than one year	35	34
Later than one year and not later than five years	20	55
Later than five years	-	-
	55	89

b) Contingent liabilities

Superannuation

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

Future superannuation contributions

The expected contribution to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2018 is \$52,000.

7.2 Changes in accounting standards

The following new Australian Accounting Standards have been issued that are not mandatory for the 30 June 2018 reporting period. Council has assessed these pending standards and has identified that the following potential impacts will flow from the application of these standards in future reporting periods.

Financial Instruments - Disclosures (AASB 7) (applies 2018/19)

This standard requires entities to provide disclosures in their financial statements that enable users to evaluate: (a) the significance of financial instruments for the entity's financial position and performance; and (b) the nature and extent of risks arising from financial instruments to which the entity is exposed.

Financial Instruments (AASB 9) (applies 2018/19)

The key changes include the simplified requirements for the classification and measurement of financial assets, a new hedging accounting model and a revised impairment loss model to recognise impairment losses earlier, as opposed to the current approach that recognises impairment only when incurred.

Revenue from contracts with customers (AASB 15) (applies 2019/20 for the Local Government sector)

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

Financial Statements

Notes to the financial statements (continued)

Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities (AASB 2016-7) (applies 2019/20)

This standard defers the mandatory effective date of AASB 15 for not-for-profit entities from 1 January 2018 to 1 January 2019.

Leases (AASB 16) (applies 2019/20)

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

Income of Not-for-Profit Entities (AASB 1058) (applies 2019/20)

This standard replaces AASB 1004 Contributions and establishes revenue recognition principles for transactions where the consideration to acquire an asset is significantly less than fair value to enable a not-for-profit entity to further its objectives.

7.3 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:

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

Financial Statements

Notes to the financial statements (continued)

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 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 Council to make a financial loss. Council has exposure to credit risk on some financial assets included in its balance sheet. To help manage this risk:

- Council has a policy for establishing credit limits for the entities we deal with
- Council may require collateral where appropriate
- Council only invests 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.

Council may also be subject to credit risk for transactions which are not included in the balance sheet, such as when Council provides a guarantee for another party. Details of Council's contingent liabilities are disclosed in Note 7.1 (b).

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

d) Liquidity risk

Liquidity risk includes the risk that, as a result of Council's operational liquidity requirements, Council 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.

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 4.4.

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

Financial Statements

Notes to the financial statements (continued)

(e) 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.

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.

7.4 Fair value measurement

Council measures certain assets and liabilities at fair value where required or permitted by Australian Accounting Standards. AASB 13 Fair Value Measurement aims to improve consistency and reduce complexity by providing a definition of fair value and a single source of fair value measurement and disclosure requirements for use across Australian Accounting Standards.

AASB 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value under AASB 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique.

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

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

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

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

Financial Statements

Notes to the financial statements (continued)

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.

In addition, Council undertakes a formal revaluation of land, buildings and infrastructure assets within a five 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.

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.

7.5 Events occurring after balance date

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

Financial Statements

Notes to the financial statements (continued)

Note 8. Other matters

8.1 Reserves

Asset revaluation reserve

	Balance at beginning of reporting period	Increment (decrement)	Balance at end of reporting period
	\$'000	\$'000	\$'000
2018			
Property			
Land	9,998	-	9,998
Buildings	5,226	-	5,226
	15,224	-	15,224
Infrastructure			
Roads	80,523	304	80,827
Bridges	10,789	(704)	10,085
Footpaths	513	431	944
Drainage	5,003	-	5,003
Kerb and channel	3,758	92	3,850
	100,586	123	100,709
Total asset revaluation reserve	115,810	122	115,933
2017			
Property			
Land	8,775	1,223	9,998
Buildings	2,398	2,828	5,226
	11,173	4,051	15,224
Infrastructure			
Roads	80,523	-	80,523
Bridges	10,789	-	10,789
Footpaths	513	-	513
Drainage	5,003	-	5,003
Kerb and channel	3,758	-	3,758
	100,586	-	100,586
Total asset revaluation reserve	111,759	4,051	115,810

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

Financial Statements

Notes to the financial statements (continued)

8.2 Reconciliation of cash flows from operating activities to surplus/(deficit)

	2018 \$'000	2017 \$'000
Surplus/ (deficit)	5,324	6,889
Depreciation/amortisation	3,580	3,569
(Profit) / loss on disposal of property, infrastructure, plant and equipment	(155)	107
Financing activities included in operating result	17	6
Fair value adjustments for investment property	(16)	-
<i>Change in assets and liabilities:</i>		
(Increase)/decrease in trade and other receivables	(268)	(257)
(Increase)/decrease in prepayments	(127)	(10)
(Increase)/decrease in inventories	172	(178)
(Increase)/decrease in investment in associates	(10)	(14)
Increase/(decrease) in trade and other payables (operating)	(286)	295
Increase/(decrease) in provisions	88	19
Increase/ (decrease) in trust funds and deposits	(26)	27
Net cash provided by/(used in) operating activities	8,293	10,453

8.3 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 2018 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 Fund

Financial Statements

Notes to the financial statements (continued)

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 2017, a full triennial actuarial investigation was completed. The Vested Benefit Index (VBI) of the defined benefit category of which Council is a contributing employer was 103.1%. To determine the VBI, the fund Actuary used the following long-term assumptions:

Net investment returns	6.5% pa
Salary information	3.5% pa
Price inflation (CPI)	2.5% pa.

Vision Super has advised that the estimated VBI at 30 June 2018 was 106.0%.

The VBI is to be used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2017 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 2017 triennial 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 2018, this rate was 9.5% of members' salaries (2016/17: 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

Financial Statements

Notes to the financial statements (continued)

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.

2017 triennial actuarial investigation surplus amounts

The Fund's triennial actuarial investigation as at 30 June 2017 identified the following in the defined benefit category of which Council is a contributing employer:

- A VBI surplus of \$69.8 million;
- A total service liability surplus of \$193.5 million; and
- A discounted accrued benefits surplus of \$228.8 million.

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2017. 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.

2018 interim actuarial investigation

An interim actuarial investigation is being conducted for the Fund's position as at 30 June 2018. It is anticipated that this actuarial investigation will be completed in December 2018.

8.4 Adjustments directly to equity

Adjustment arising from the recognition of land under roads. Council fully recognised land under roads at fair value in the 2017/18 financial year. The initial full recognition of land under roads recognised as an adjustment to Council's accumulated surplus for 2017/18.

Land under roads is valued at fair value using site values adjusted for englobo land characteristics, access rights and private interests of other parties and entitlements of infrastructure assets and services.

The effect of Council fully recognising land under roads for the first time is to increase the opening balance of accumulated surplus by \$5.691 million and increase property, infrastructure, plant and equipment by the same amount.

Financial Statements

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

Wednesday 19 September 2018

Tallangatta

In our opinion the accompanying financial statements present fairly the financial transactions of Towong Shire Council for the year ended 30 June 2018 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

Mayor

Wednesday 19 September 2018

Tallangatta



Cr Andrew Whitehead

Councillor

Wednesday 19 September 2018

Tallangatta



Ms Juliana Phelps, Chartered Accountant

Chief Executive Officer

Wednesday 19 September 2018

Tallangatta

Financial Statements

Auditor-General's report



Victorian Auditor-General's Office

Independent Auditor's Report

To the Councillors of Towong Shire Council

Opinion	<p>I have audited the financial report of Towong Shire Council (the council) which comprises the:</p> <ul style="list-style-type: none">• balance sheet as at 30 June 2018• comprehensive income statement for the year then ended• statement of changes in equity for the year then ended• statement of cash flows for the year then ended• notes to the financial statements, including significant accounting policies• certification of the financial statements. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2018 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 6 of the <i>Local Government Act 1989</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Councillors' responsibilities for the financial report	<p>The Councillors of the council are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Local Government Act 1989</i>, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Councillors are responsible for assessing the council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

Level 31 / 35 Collins Street, Melbourne Vic 3000
T 03 8601 7000 enquiries@aud.t.vic.gov.au www.audit.vic.gov.au

Financial Statements

Auditor-General's report (continued)

Auditor's responsibilities for the audit of the financial report	<p>As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.</p> <p>As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:</p> <ul style="list-style-type: none">• identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.• obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the council's internal control• evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Councillors• conclude on the appropriateness of the Councillors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the council's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the council to cease to continue as a going concern.• evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation. <p>I communicate with the Councillors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.</p>
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MELBOURNE
20 September 2018



Tim Loughnan
as delegate for the Auditor-General of Victoria

Addendum

Performance Reporting Framework Indicators 2017/18

1. Governance

Service / Indicator / Measure	Results				Comment
	2015	2016	2017	2018	
Transparency Council decisions made at meetings closed to the public <i>(Number of Council resolutions made at an ordinary or special meeting 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) x 100</i>	6.00%	3.00%	4.00%	2.78%	<p>Council is committed to public decision-making at open Council meetings in the interest of open and transparent governance. Meetings are only closed to the public in accordance with s89 of the Local Government Act 1989 when a matter to be decided relates to a personnel, contractual, industrial or other prescribed matter. There were a total of 7 decisions made at meetings closed to the public in 2017/18 compared to 9 in 2016/17 and 2015/16 and 15 in 2014/15.</p>
Consultation and engagement Satisfaction with community consultation and engagement <i>Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement</i>	59	52	0	59	<p>Council participated in the 2017/18 Community Satisfaction Survey.</p> <p>Council did not participate in or conduct a Community Satisfaction survey in 2016/17 following a 'value for money' evaluation conducted as part of the 2016/17 budget development.</p>
Attendance Councillor attendance at Council meetings <i>(The sum of the number of Councillors who attended each ordinary and special Council meeting / (Number of ordinary and special Council meetings) x (Number of Councillors elected at the last Council general election)) x 100</i>	94%	93%	93%	88%	<p>The result recognises Councillor attendance at Council meetings. Formal granting of leave of absence is obtained where a Councillor is unable to attend.</p>
Service cost Cost of governance <i>Direct cost of the governance service / Number of Councillors elected at the last Council general election</i>	\$36,800	\$36,689	\$37,282	\$35,440	<p>Council compares well compared to other Councils on this indicator with the cost of governance per Councillor reducing over the reporting period.</p>

Performance Reporting Framework Indicators 2017/18

1. Governance continued

Service / Indicator / Measure	Results				Comment
	2015	2016	2017	2018	
<p>Satisfaction Satisfaction with Council decision Community satisfaction rating out of 100 with the performance of Council in making decisions in the interest of the community</p>	60	51	0	59	<p>Council participated in the 2017/18 Community Satisfaction Survey.</p> <p>Council did not to participate in or conduct a Community Satisfaction survey in 2016/17 following a 'value for money' evaluation conducted as part of the 2016/17 budget development.</p>

Performance Reporting Framework Indicators 2017/18

2. Statutory Planning

Service / Indicator / Measure	Results				Comment
	2015	2016	2017	2018	
Timeliness <i>Time taken to decide planning applications</i> <i>The median number of days between receipt of a planning application and a decision on the application</i>	24	18	36	63	Council has a small Planning team consisting of two part-time staff members. Our performance in this area has been impacted by vacancies that were difficult to fill. A total of 65 Planning Permit applications were decided in 2017/18 compared to 76 in 2016/17, 98 in 2015/16 and 118 in 2014/15.
Service standard <i>Planning applications decided within the relevant required time</i> <i>(Number of planning application decisions made within 60 days / Number of planning application decisions made) x 100</i>	96%	98%	83%	50%	Council has a small Planning team consisting of two part-time staff members. Our performance in this area has been impacted by vacancies that were difficult to fill. A total of 65 Planning Permit applications were decided in 2017/18 compared to 76 in 2016/17, 98 in 2015/16 and 118 in 2014/15.
Service cost <i>Cost of statutory planning service</i> <i>Direct cost of the statutory planning service / Number of planning applications received</i>	\$1,805	\$3,003	\$1,694	\$2,903	This cost is inclusive of both the strategic and statutory planning services as Council has a small team that delivers both functions. The 2017/18 cost per planning application is higher than previous years due to a significant drop in the number of planning applications received. There were 57 received in 2017/18 compared to 80 in 2016/17, 101 in 2015/16 and 118 in 2014/15. The lower cost in 2016/17 compared to previous years is due to the Planning team not having two full-time staff members for the whole year with contractors used to backfill on a part-time basis. In 2015/16, \$104,108 of legal fees were incurred by Council defending a planning decision at VCAT. Without this expense the cost of the total planning service per planning application would have been \$1,972.47.
Decision making <i>Council planning decisions upheld at VCAT</i> <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) x 100</i>	33%	100%	100%	100%	<p>There was one Council planning decision referred to VCAT for 2017/18. This Council decision was upheld at VCAT.</p> <p>There was one planning decision referred to VCAT in 2016/17, one in 2015/16 and three in 2014/15.</p>

Performance Reporting Framework Indicators 2017/18

3. Roads

Service / Indicator / Measure	Results				Comment
	2015	2016	2017	2018	
Satisfaction of use Sealed local road requests (Number of sealed local road requests / Kilometres of sealed local roads) x 100	8.63	10.48	12.70	8.99	Towong Shire has a large local road network (1,183 kilometres of local roads) relative to its small population base spread over 6,635 square kilometres. This includes 378 kilometres of sealed local roads. There were 34 sealed local road requests in 2017/18 compared to 48 in 2016/17, 39 in 2015/16 and 32 in 2014/15.
Condition Sealed local roads below the intervention level (Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads) x 100	100%	100%	99%	99%	
Service cost (Reconstruction) Cost of sealed local road reconstruction Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed	\$52.05	0.00	\$61.45	\$37.37	<p>The decrease in cost per square metre compared to the 2016/17 result is due to the nature of the reconstruction required for Council's small road reconstruction program for 2017/18.</p> <p>Extensive reconstruction works cost significantly more than basic works. More extensive works may involve preparation of the road base to a greater depth or sealing with alternative resources to achieve improved outcomes (e.g. longevity or safety)</p> <p>The increase in cost per square metre in 2016/17 compared to the 2014/15 result was due to more extensive reconstruction works being undertaken in 2016/17. There were no road reconstruction works conducted in 2015/16.</p>

Performance Reporting Framework Indicators 2017/18

3. Roads continued

Service / Indicator / Measure	Results				Comment
	2015	2016	2017	2018	
Service cost (Resealing) <i>Cost of sealed local road resealing</i> <i>Direct cost of sealed local road resealing / Square metres of sealed local roads resealed</i>	\$5.77	\$4.48	\$4.22	\$5.95	The increase in costs over prior years is due to a more expensive seal being used. A rubberised seal is being used to extend the life of the seal and reduce regular maintenance.
Satisfaction <i>Satisfaction with sealed local roads</i> <i>Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads</i>	59	54	0	58	<p>Council participated in the 2017/18 Community Satisfaction Survey.</p> <p>Council did not to participate in or conduct a Community Satisfaction survey in 2016/17 following a 'value for money' evaluation conducted as part of the 2016/17 budget development.</p>

Performance Reporting Framework Indicators 2017/18

4. Libraries

Service / Indicator / Measure	Results				Comment
	2015	2016	2017	2018	
Utilisation <i>Library collection usage</i> <i>Number of library collection item loans / Number of library collection items</i>	2.42	1.82	1.55	1.43	There has been a reduction in the number of visits to Council's libraries of 2,110 visits or 9% in 2017/18 compared to 2016/17. This has also seen a reduction in the number of items loaned reducing by 1,539 in 2017/18 compared to 2016/17.
Resource standard <i>Standard of library collection</i> <i>(Number of library collection items purchased in the last five years / Number of library collection items) x 100</i>	30%	33%	35%	38%	Council has committed to expanding its library resources available for loan over the last few years with a specific allocation being included in each annual budget since 2015/16. Over time this is increasing the proportion of the library collection that is less than five years old.
Service cost <i>Cost of library service</i> <i>Direct cost of library service / Number of visits</i>	\$20.84	\$7.12	\$5.94	\$6.37	The total cost of running Council's libraries has remained consistent over the last two years, however there has been a reduction in the number of visits to the libraries of 2,110 or 9% in 2017/18 compared to 2016/17.
Participation <i>Active library members</i> <i>(Number of active library members / Municipal population) x 100</i>	10%	9%	13%	12%	<p>Council provides two static libraries in its main centres of Corryong and Tallangatta. These libraries service our small dispersed population of 5,974 (ABS Catalogue 3218.0) which is spread over 6,635 square kilometres. Many residents reside outside the two main centres where the static libraries are located and may access other library services in neighbouring municipalities.</p> <p>There were 727 active members in 2017/18 compared to 760 in 2016/17 and 533 in 2015/16. A new library in Tallangatta was officially opened in August 2016 with opening hours increasing from 15.5 to 40 hours per week. This resulted in an increase on the number of active library members from 2015/16.</p>

Performance Reporting Framework Indicators 2017/18

5. Waste collection

Service / Indicator / Measure	Results				Comment
	2015	2016	2017	2018	
Satisfaction Kerbside bin collection requests <i>(Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households) x 1000</i>	73.62	90.05	105.26	123.84	There was a total of 360 kerbside bin collection requests in 2017/18 compared to 298 in 2016/17, 249 in 2015/16 and 194 in 2014/15. There were 178 requests regarding broken bins in 2017/18.
Service standard Kerbside collection bins missed <i>(Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts) x 10,000</i>	1.31	1.97	2.22	2.66	There was a total of 63 bins missed in 2017/18 compared to 51 in 2016/17, 44 in 2015/16 and 29 in 2014/15. Council's kerbside collection service lifts approximately 240,000 individual bins each year.
Service cost (Garbage) Cost of kerbside garbage collection service <i>Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins</i>	\$154.96	\$135.69	\$140.04	\$136.77	
Service cost (Recycling) Cost of kerbside recycling collection service <i>Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins</i>	\$73.75	\$71.51	\$85.26	\$78.72	
Waste diversion Kerbside collection waste diverted from landfill <i>(Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins) x 100</i>	32%	32%	33%	33%	

Performance Reporting Framework Indicators 2017/18

6. Aquatic facilities

Service / Indicator / Measure	Results				Comment
	2015	2016	2017	2018	
Service standard (inspections) <i>Health inspections of aquatic facilities</i> <i>Number of authorised officer inspections of Council aquatic facilities / Number of Council aquatic facilities)</i>	1.00	1.00	1.00	1.00	Council operates outdoor seasonal swimming pools in Corryong and in Tallangatta. The swimming pool season is from November to March. All Council aquatic facilities were inspected once each year.
Service standard (incidents) <i>Reportable safety incidents at aquatic facilities</i> <i>Number of WorkSafe reportable aquatic safety incidents</i>	0	0	0	0	There have been no reportable safety incidents across the reporting periods of 2014/15 to 2017/18.
Service cost (indoor) <i>Cost of outdoor aquatic facilities</i>	0	0	0	0	Council has no indoor aquatic facilities.
Service cost (outdoor) <i>Cost of outdoor aquatic facilities</i> <i>Direct cost of outdoor aquatic facilities less income received / Number of visits to outdoor aquatic facilities</i>	\$22.27	\$9.58	\$8.65	\$14.22	Council operates two outdoor seasonal swimming pools. There were 10,951 visits recorded in 2017/18 compared to 16,322, 13,071 and 6,645 in 2016/17, 2015/16 and 2014/15 respectively. There were increased costs with operating the pools in 2017/18 compared to previous years with maintenance works being carried out to investigate a leak at the Tallangatta Pool and additional water and electricity costs associated with the Corryong Pool upgrade. The reduction in recorded visitation from the previous year has also resulted in the result for this indicator increasing for 2017/18.
Utilisation <i>Utilisation of aquatic facilities</i> <i>Number of visits to aquatic facilities / Municipal population</i>	1.13	2.27	2.81	1.96	Council operates two outdoor seasonal swimming pools. There were 10,951 visits recorded in 2017/18 compared to 16,322, 13,071 and 6,645 in 2016/17, 2015/16 and 2014/15 respectively. A review is being undertaken of data collection to provide more consistent and reliable data.

Performance Reporting Framework Indicators 2017/18

7. Animal management

Service / Indicator / Measure	Results				Comment
	2015	2016	2017	2018	
Timeliness <i>Time taken to action animal management requests</i> <i>Number of days between receipt and first response action for all animal management requests / Number of animal management requests</i>	0.00	3.64	2.38	5.53	Towong Shire Council has a part time Ranger (20 hours per week). There were 53 animal requests in 2017/18 compared to 52 in 2016/17 and 47 in 2015/16. The nature of a request and when it is received will determine how quickly it is actioned. If a request requires immediate attention Council has an on-call contractor to respond if the part time Ranger is not available. Other requests will be actioned on the next scheduled day of work for the part time Ranger.
Service standard <i>Animals reclaimed</i> <i>(Number of animals reclaimed / Number of animals collected) x 100</i>	37%	50%	44%	50%	There were a total of 8 animals collected (4 reclaimed) in 2017/18. This compares to 9 animals collected (4 reclaimed) in 2016/17, 6 (3 reclaimed) in 2015/16 and 19 (7 reclaimed) in 2014/15.
Service cost <i>Cost of animal management service</i> <i>Direct cost of animal management service / Number of registered animals</i>	\$46.43	\$57.51	\$55.87	\$58.95	Council has a part time Ranger (20 hours per week) and a contractor on call for any animal requests that require an immediate response. The cost to Council over the last three years for animal management has remained consistent. The main variable has been the number of animals registered which have dropped by 10% in 2017/18 compared to the previous year.
Health and safety <i>Animal management prosecutions</i> <i>Number of successful animal management prosecutions</i>	0.00	0.00	0.00	0.00	There have been no animal prosecutions within the reporting periods of 2014/15 to 2017/18.

Performance Reporting Framework Indicators 2017/18

8. Food safety

Service / Indicator / Measure	Results				Comment
	2015	2016	2017	2018	
Timeliness Time taken to action food complaints <i>Number of days between receipt and first response action for all food complaints / Number of food complaints</i>	0.00	0.00	0.00	1.00	There was one food complaint received in 2017/18. There were no food complaints received in prior years.
Service standard Food safety assessments <i>(Number of registered class 1 food premises and class 2 food premises that receive an annual food safety assessment in accordance with the Food Act 1984 / Number of registered class 1 food premises and class 2 food premises that require an annual food safety assessment in accordance with the Food Act 1984) x 100</i>	100%	100%	100%	100%	Food safety assessments have been undertaken for all registered premises across the reporting periods.
Service cost Cost of food safety service <i>Direct cost of the food safety service / Number of food premises registered or notified in accordance with the Food Act 1984</i>	\$928	\$940	\$1006	\$980	Towong Shire had 88 registered premises in 2017/18 compared to 84 in 2016/17, 79 in 2015/16 and 70 in 2014/15. These premises are widely dispersed throughout the Shire (over 6,635 square kilometres). As a result, significant travel costs and time are incurred to service all premises.
Health and safety Critical and major non-compliance outcome notifications <i>(Number of critical non-compliance outcome notifications and major non-compliance outcome notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about food premises) x 100</i>	100%	100%	100%	100%	There were fourteen critical or major non-compliance outcome notifications issued in 2017/18 with thirteen addressed within the reporting period and one follow up completed early in the following reporting period. This compares to ten critical or major non-compliance outcome notifications issued in 2016/17.

Performance Reporting Framework Indicators 2017/18

9. Maternal and child health (MCH)

Service / Indicator / Measure	Results				Comment
	2015	2016	2017	2018	
Satisfaction Participation in first MCH home visit (Number of first MCH visits / Number of birth notifications received) x 100	98%	93%	95%	117%	There were 35 birth notifications received in 2017/18. Council's part time MCH nurses conducted 41 first MCH home visits during the period with some visits relating to children born late in the previous financial year and some relating to infants that had relocated to Towong Shire.
Service standard Infant enrolments in the MCH service (Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received) x 100	100%	93%	100%	100%	
Service cost Cost of the MCH service (Cost of the MCH service / Hours worked by MCH nurses)	0.00	\$64.60	\$66.12	\$65.79	
Participation (general) Participation in the MCH service (Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service) x 100	88%	80%	82%	72%	There were 158 children who attended the MCH service at least once in 2017/18 compared to 204 in 2016/17, 197 in 2015/16 and 219 in 2014/15.
Participation (Aboriginal children) Participation in the MCH service by Aboriginal children (Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service) x 100	100%	67%	100%	57%	<p>Towong Shire has a small Aboriginal and Torres Strait Islander community (<1%). There are four children registered with the MCH service that have been identified as having an Aboriginal or Torres Strait Islander background in 2017/18 compared to two in 2016/17 and 2015/16 and one in 2014/15.</p> <p>Two of the four children have actively participated in the MCH service in 2017/18.</p> <p>Note: The 2015/16 result has been restated due to an error in the result reported.</p>