

MITCHELL SHIRE COUNCIL ANNUAL REPORT 2016/17



MITCHELL SHIRE COUNCIL



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12/81 High Street, Wellington Square, Wallan

We also provide some limited customer service through our Facebook pages: Mitchell Shire Council, Mitchell Shire Council Fire Information, Mitchell Youth Services and Mitchell Shire Leisure Services.

While our main offices are located in Broadford, we also have staff or services at nearly 40 sites across the municipality including our Wallan office, depots, kindergartens, leisure centres, customer and library service centres, maternal and child health centres, outdoor pools, sports stadiums and youth centres.

ABOUT THE ANNUAL REPORT

All Victorian Councils are required to provide an Annual Report for 2016/17 that includes a Report of Operations and information about any major changes that have taken place, major capital works, economic or other factors that have had an impact on Council's performance and a summary of activity and achievements.

The Annual Report also shows how Mitchell has performed against the commitments set in the Council Plan and Budget, as well as prescribed service performance indicators and an audited Performance Statement and Financial Statements.

COPIES OF THE ANNUAL REPORT

In an effort to reduce the impact on the environment and to reduce costs, limited copies of this document have been printed.

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ABOUT THE MUNICIPALITY

Strategically located 40 kilometres north of Melbourne, Mitchell Shire is one of Victoria's fastest growing municipalities.

As an interface growth area, Mitchell offers a mix of rural and urban living with affordable housing and a diversity of lifestyle and housing choices.

As at 30 June 2017, our total population stood at just over 43,000¹. By 2036, our population is projected to double to nearly 90,000² people. We are planning for more than 210,000 people to call Mitchell home in the longer term.

Many of these will be families with young children and teenagers. It is anticipated that most of this growth will occur in and around the southern townships of Beveridge, Kilmore/Kilmore East and Wallan.

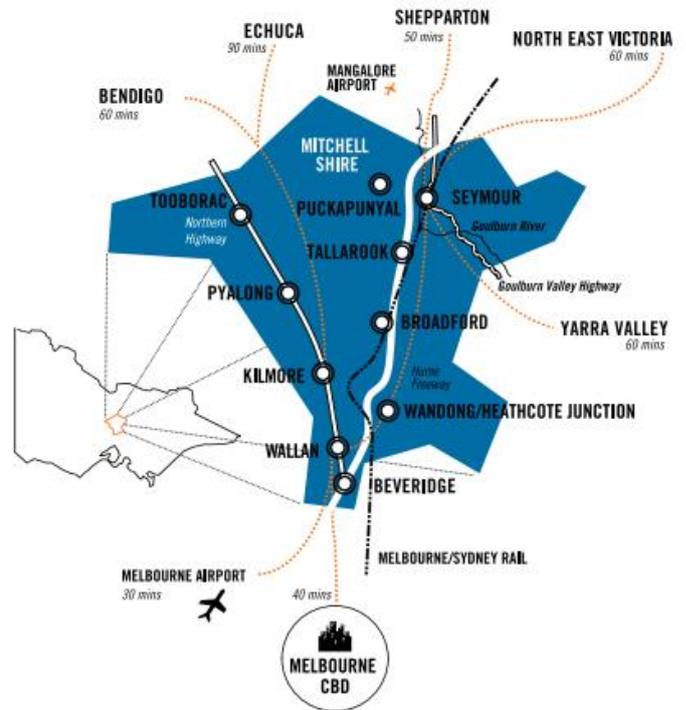
We have a high commuter workforce and our community relies heavily on regional rail and road networks to travel to and from work and for day to day community activities.

Key employers within the Shire include Puckapunyal Military Area, Council, hospitals, health services, schools and child care, supermarkets, Ralph's Meats and Nestle. Our agricultural, equine and tourism industries are also important contributors to our local economy.

Our rolling foothills, open farmland, mountain ranges, rivers, creeks and natural environment are key attributes of our landscape amenity. This also means parts of our municipality are subject to natural disasters such as fires, storms and floods.

At 2,864 square kilometres, we are a large municipality with many larger and smaller townships and communities. These include Beveridge, Broadford, Bylands, Clonbinane, Forbes, Glenaroua, Glenhope, Glenhope East, Heathcote Junction, Heathcote South, High Camp, Hilldene, Hughes Creek, Kilmore, Kilmore East, Mia Mia, Moranding, Northwood, Nulla Vale, Puckapunyal, Pyalong, Reedy Creek, Seymour, Sugarloaf Creek, Sunday Creek, Tallarook, Tooborac, Trawool, Tyaak, Upper Plenty, Wallan, Wallan East, Wandong, Waterford Park, Whiteheads Creek and Willowmavin.

We also cover parts of Avenel, Donnybrook, Flowerdale, Highlands, Mangalore, Strath Creek, and Tarcombe.



¹ ID Data - 2017 Population Forecast <http://forecast.id.com.au/mitchell/home>

² ID Data - 2017 Population Forecast <http://forecast.id.com.au/mitchell/home>

FAST FACTS



We cover **2,864** square kilometres of rural and urban land including Melbourne's Northern Growth Corridor



We have **18** schools for **7,062** students, many of which are already full. We need to accommodate an estimated **10,000** future students in the next 20 years



We are growing by **3-4%** per year and our population is expected to double by 2036 to more than **90,000** people. We're planning now for **210,000** people in the future.



There are approximately **0.77** local jobs available for everyone who is looking for work. Many people travel outside the municipality for work



We had **537** new babies born last year and we added more than **300** new houses



Our area generates **\$1.4 billion** GDP and has a total economic output of **\$2.83 billion**



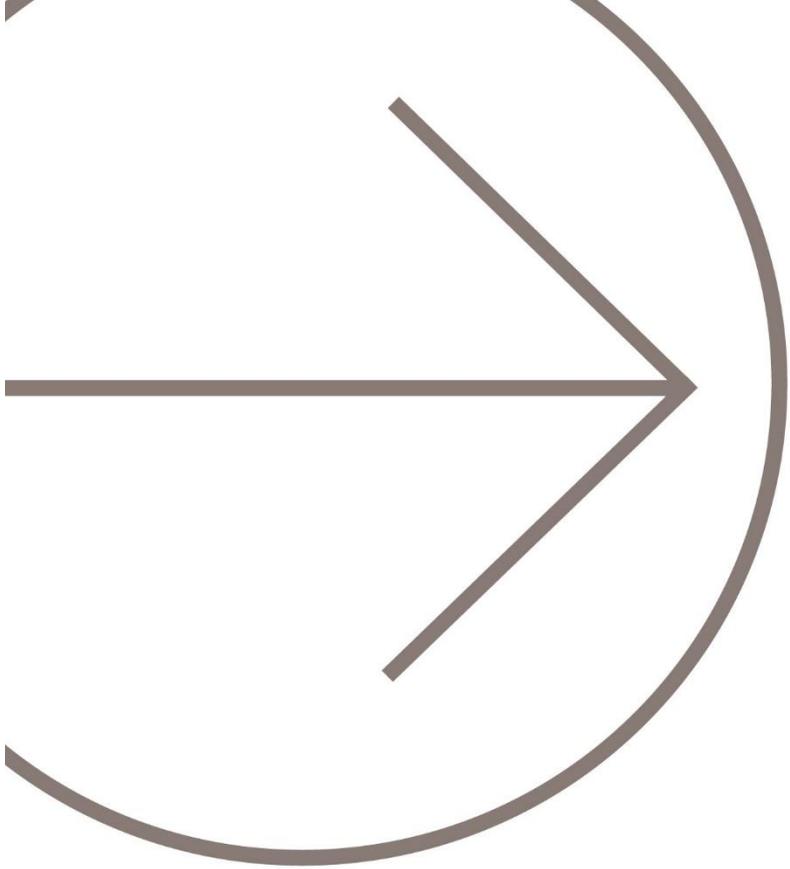
We have **12** main towns, nearly **40** communities, **97** V/Line rail services, **3** limited town bus networks and no bus connections between towns



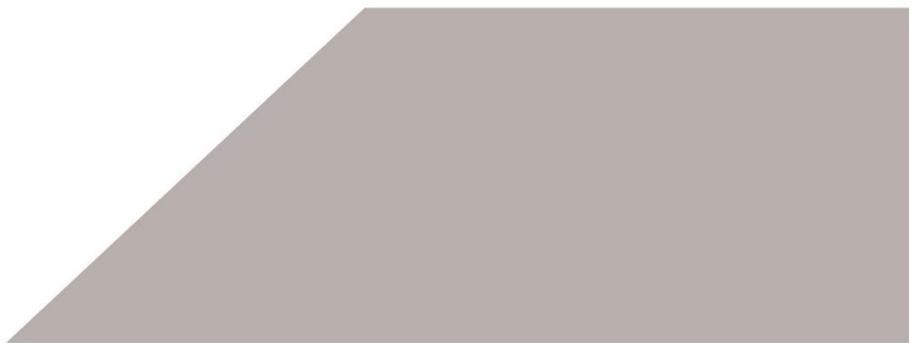
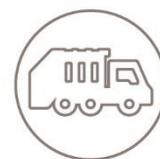
Some people in our community experience significant socio-economic disadvantage and we have a large difference between our poorest and wealthiest residents

INFRASTRUCTURE AND SERVICES

- > 100+ services
- > 673 km of sealed roads
- > 713 km of unsealed roads
- > 410 km of kerb and channel
- > 182 km of concrete footpaths
- > 46 km of unsealed footpaths
- > 243 km of underground drainage
- > 8,793 drainage pits
- > 73 road bridges
- > 36 pedestrian bridges
- > 1 active landfill
- > 4 resource recovery centres
- > 22 sporting pavilions/clubrooms
- > 9 sporting reserves
- > 2 leisure centres
- > 5 pools
- > 4 sports stadiums
- > 8 community halls
- > 5 public toilets
- > 43 playgrounds
- > 5 skate parks
- > 12 environmental reserves
- > 4 libraries
- > 8 kindergartens
- > 7 maternal and child health centres



YEAR IN REVIEW



MAYOR'S MESSAGE

Mitchell Shire Council Mayor - Councillor Rhonda Sanderson

I am very pleased to present the 2016/17 Annual Report – the first for this current term of Council since the General Council elections in October 2016.

COUNCIL PLAN ACHIEVEMENTS

This Annual Report reviews the final year of the four-year Council Plan which was developed by the former Council following the elections of 2012. The 2013-2017 Council Plan set a number of Key Strategic Objectives which were supported by annual Action Plans and Budgets. The previous Council set an ambitious agenda and made significant progress in meeting its objectives while simultaneously addressing some major financial challenges: not least of which was meeting the organisation's commitment to deliver \$4 million in operational savings across Years 3 and 4, in addition to the \$633,000 needed to meet the State Government's rate cap in Year 4.

I would sincerely like to thank the former Councillors, the Council staff and our community for their hard work during the previous four-year term to help meet these ambitious targets and continue our financial renewal and asset investment.

A NEW COUNCIL PLAN

I would also like to thank the current Councillors for their substantial efforts following the 2016 elections as we worked with our community to develop a new four-year Council Plan.

During consultation for the new Council Plan, we asked the community to tell us what Council should focus on to make Mitchell a better place to live, work, play and invest. We held Councillor Listening Posts during March and April 2017 and Councillors enthusiastically sought input from community members across the shire: main streets, community events, local markets, kindergartens, libraries, community group meetings and even on trains. We also sought input online and through our Advisory Committees, Youth Council and other networks.

Council received more than 1,200 responses which were used to develop the Council Plan, along with the views raised in the annual Community Satisfaction Survey, recently reviewed Council Strategies and commitments in existing plans and strategies.

We now have a new plan and a refreshed focus for the next four years and we look forward to working with our staff, our community and other key partners to deliver these commitments.

The following four pages illustrate some of the main successes of 2016/17 which were achieved in partnership with our community, government and others.

PARTNERSHIPS DELIVER NEW COMMUNITY FACILITIES

One of the most exciting projects delivered in 2016/17 was the new Community Bank® Adventure Playground and Splash Park in Wallan. The playground has become a real focal point for our community and proved to be extremely popular with locals and thousands of visitors from across the State over summer. It has become an unexpected economic driver and won the Major Playspace Award at the Parks and Leisure Australia (Vic/Tas) 2017 Regional Awards of Excellence in the 'Playspaces over \$500K' category.



The playground is a great example of how Council has developed partnerships to secure funding for projects that would otherwise be beyond our reach. Our thanks go to the Victorian Government (\$950K) and the Wallan & Kilmore Community Bank® branches of the Bendigo Bank (\$520K) who partnered in this \$2 million project.



Together with the State Government, Council also completed a number of other major new community facilities, including a new playground at Hudson Park in Kilmore, upgrades to the Greenhill Reserve changerooms in Wallan, Broadford Youth Room, Broadford Multi-Use Sports Pavilion, Broadford's Harley Hammond Oval resurfacing and the amazing new Wallan Family and Children's Centre.



We also started work on a new Maternal and Child Health Centre in Broadford and received news of funding to redevelop the outdoor library space in Seymour, and changerooms and a second netball court at Kings Park in Seymour.



These projects simply wouldn't be possible for a Council of our size to deliver without support from our funding partners. The more external funding we receive for projects like these, the more we are able to redirect from ratepayer funds towards other important priorities such as footpaths, roads and recreational facilities.

PARTNERSHIPS STRENGTHEN COMMUNITY EVENTS

There is a summary of community events later in this report, but I would like to highlight the Multicultural Food Truck Festival which was held for the first time in Wallan in February this year. This was a fantastic event which Council coordinated with the help of local community groups, organisations and schools. It was a great success and provided an important opportunity for our community to get together and learn more about different cultures.



Thank you also to the Pyalong community for hosting Mitchell Shire's Australia Day awards and citizenship ceremony this year.

Congratulations to the recipients of the 2017 Australia Day Awards:

- > Community Event of the Year:
Seymour Agricultural and Pastoral Society's Great Seymour Show
- > Young Citizen of the Year:
Ben Milgate
- > Citizen of the Year: Ian Lee
- > Access and Inclusion Award:
Sally Ferguson.



PARTNERSHIPS GIVE COMMUNITY A STRONGER VOICE AT COUNCIL

In July 2016, the new Youth Council was sworn in. The Youth Council is a fantastic initiative which encourages young people to get involved in civic life, shapes future leaders and provides young people with a voice in Council.

I would also like to thank the volunteers on our Advisory Committees and incorporated Committees of Management who have selflessly given their time, energy and expertise throughout the year in service to our community.



PARTNERSHIPS FOR GROWTH

We now have Structure Plans in place for Wallan, Kilmore and Wandong/Heathcote Junction and anticipate finalising the Seymour Structure Plan and commencing Broadford's Structure Plan in 2017/18. We have also participated in the State Government's strategic land use planning in Beveridge, Mandalay and Lockerbie.

One of the exciting aspects of being involved in Council is observing how all the strategic planning and community consultation processes contributing to it, tie together and, as a consequence, how this planning directly influences government funding outcomes and projects for our community.

I would like to thank all our community members who helped develop these plans. Your input helps us to better understand each of our communities and to make more informed decisions on a range of matters, including land use.



PARTNERSHIPS FOR INFRASTRUCTURE

The community has told us that we should invest more in infrastructure. We have had fantastic success, as mentioned previously, in obtaining State Government funding for community and recreational facilities and we will continue to advocate for an increase in external funding for roads, bridges and our 'Missing Links' Footpath Program.

This commitment has continued in the new Council Plan and the 2017/18 Budget and I encourage you to read more about our infrastructure investment in this Annual Report.



PARTNERSHIPS IN EMERGENCIES

I would like to take this opportunity to thank the volunteers and personnel in our emergency services and the Council staff who have provided support to our community through floods, storms and fires in 2016/17.

We experienced a number of storms and fires in the past year, but the worst damage came from spring floods in September 2016. As well as the impact on our community, the floods damaged bridges, fords, parks, paths and roads throughout the Shire.

Council has been able to recover most of these costs through the Commonwealth-State Natural Disaster Relief and Recovery Arrangements. These arrangements are critical for Councils like ours in a rate capped environment.

Fortunately, there were no major bushfires, although Council did provide support to a number of smaller incidents throughout the fire season.

All of these emergency events helped reinforce the importance of the partnerships between Council, the community, emergency service agencies and support services.

THE YEAR AHEAD

I commend this Annual Report to you and I look forward to continuing to strengthen these partnerships in the year ahead.



CHIEF EXECUTIVE OFFICER'S MESSAGE

David Turnbull, Chief Executive Officer

I am pleased to present the 2016/17 Annual Report for Mitchell Shire Council.

I started with the organisation in May 2016 and, when I look back on the 2016/17 year, it is quite impressive how much strategic work has occurred. I was impressed with the previous commitment to strategic planning and this was carried forward into 2016/17. I believe in the power of a plan. There is a large body of work occurring to ensure we are planning ahead to meet the needs of our community and to develop partnerships that will help us improve our community, our region and our organisation.

Mitchell is a relatively small organisation and the quality of work that is being produced is as good as any I have seen at larger Councils.

NEW COUNCILLORS AND NEW COUNCIL PLAN

A large focus for the year has been on working with the new Councillors after the general elections in October 2016. I have been particularly impressed by the commitment the new Councillors have to our community and to their role as elected representatives.

It is not easy for any Council to prepare a Council Plan within the first few months of being elected. Our Councillors are united in embracing this and have created a very strong forward focussed Council Plan that will stand our community and our organisation in good stead for years to come.

My job as CEO is to empower the organisation to deliver on these commitments. I look forward to working with the organisation, the Councillors, the community, our partners in State and Federal Government and other key partners to do that.

ADVOCACY AND FUNDING

We have already seen the great benefits that partnerships bring with funding initiatives like the Growing Suburbs Fund which feature heavily in this Annual Report. We are also starting to see the benefits of planning for population growth, particularly through our Structure Plans, Town Centre Masterplans and Urban Design Frameworks. A good example of this is the funding we have received for the Greater Beveridge Community Centre and the Wallan Town Heart and Town Centre Revitalisation which will be delivered in 2017/18. Thanks to the strategic planning that has occurred, we have been able to secure funding to deliver projects on the ground.

The State Government also announced they will be starting business cases to re-route heavy vehicles from Sydney Street Kilmore, introducing southern ramps at the Watson Street interchange in Wallan and duplication of the Northern Highway between the Hume Freeway and Watson Street, Wallan. We have also had some success in our advocacy for public transport with new car parks and a study to progress plans to electrify the train line to Wallan announced in the State Budget.

During the 2016/17 financial year, I changed the organisational structure to strengthen and re-focus on advocacy, with a new Directorate for Advocacy and Community Services created. The new Director, Mary Agostino will begin in 2017/18 and I am confident our advocacy work will go from strength to strength in coming years.

PLANNING FOR POPULATION GROWTH

The latest population forecasts have us planning for 210,000 people to call Mitchell Shire home in the future. This fundamentally changes the way we do business now and the things we need to do to prepare for that. Our structure plans have established a solid base for our strategic land use planning and our new Council Plan has identified some priorities over the next four years. Our new Advocacy and Community Services portfolio will further strengthen this body of work with an entrenched strategic focus on service delivery planning across our shire.

REBUILDING A POSITIVE ORGANISATIONAL CULTURE TO PUT CUSTOMERS FIRST

A core part of my role as CEO is to work with the organisation to create a culture that supports the vision and values that are embedded in our Council Plan.

This has been a strong internal focus through the One Mitchell program, which aims to bring staff together to work as one to achieve the best outcomes for the community. As part of the One Mitchell philosophy, staff developed a new set of values and have taken part in many activities throughout the year to embed these values into everything we do.

Our values reflect the behaviours we think are important – behaviours that we think will make Mitchell a great place to work and behaviours that we think will help us provide great services and infrastructure for our community. The new values are not just words on paper – they represent the commitment we make to each other in establishing and living the culture of our organisation. We have such wonderful, committed and dedicated staff at Mitchell Shire and it has been rewarding to see these values rolled out and implemented with such enthusiasm this year.

The values sit behind our commitment to provide excellent customer service. The coming year will see a much greater focus on how we plan to do this but I am confident that all the work that has been undertaken internally in 2016/17 provides a solid foundation for this going forward.

FINANCIAL SUSTAINABILITY

Of course, none of this would be possible without having a solid financial foundation for service delivery and infrastructure investment. We have re-visited our Strategic Resource Plan and our long-term financial plans in light of rate capping and also made some adjustments to accommodate some major investment that is required in our Waste Services area in coming years.

While the 2017/18 Budget includes a much-needed increase in funding for infrastructure, we still have some further work to do to sustain this investment in the longer term, despite delivering a \$4 million operating saving over the past two years and absorbing the loss of revenue from rate capping.

We will continue this conversation with the community into 2017/18 and work closely with Councillors to develop the next budget and identify ways we can strengthen our infrastructure funding further.

This will be a core focus of the year ahead along with our continued planning for population growth and advocacy.

FINANCIAL OVERVIEW

Laurie Ellis, Director Governance and Corporate Performance

Council's financial position at the end of June 2017 reflects Council's continued commitment to addressing current financial challenges and improving the municipality's long term financial sustainability.

From an operating result perspective, Council has achieved a surplus of \$23.85 million, however after adjusting for non-recurrent capital income, the adjusted underlying result for 2016/17 is a surplus of \$6.1 million. It should be noted that this result is skewed by the pre-payment to Council of \$3.5 million in Financial Assistance Grants in June 2017 that relates to the 2017/18 financial year. Adjusting for this timing difference, the adjusted underlying result would be a surplus of \$2.6 million. This result is still favourable when compared to the adopted budget. The improved result is mainly due to the following key factors:

- > Increased rates income through supplementary revenue associated with growth throughout the shire
- > Increased fees and fines following an increase to the statutory fee in addition to an increased volume
- > Increased revenue in interest income as a direct result of increased cash holdings
- > Decreased employee costs due to vacancies experienced throughout the year
- > Decreased borrowing costs due to delayed borrowings
- > Decreased depreciation expenses following a Building Revaluation

Whilst Council returned a positive adjusted underlying result in 2016/17, a deficit is forecast for the 2017/18 financial year. Council is committed to improving this indicator over time to improve its long term financial sustainability. The adjusted underlying result is a measure of financial sustainability and Council's ability to achieve its service delivery objectives as it is not impacted by non-recurrent capital income items which can often mask the operating result.

Reducing Council's underlying deficit will increase our ability to invest in community assets, particularly in renewing existing assets. It is a critical area of focus.

During 2016/17, Council reduced net operating costs by \$2 million and the 2017/18 budget has been developed to achieve a further \$2 million, this amounts to \$4 million over the two years as planned.

At the conclusion of the 2016/17 financial year, Council has \$34 million in cash and term deposits compared to \$19.9 million at 30 June 2016. This increase in cash holdings is primarily due to the advance payment of the Financial Assistance Grant, and not fully expending the capital works program and key operational projects that have been deferred to 2017/18 for completion.

AT A GLANCE

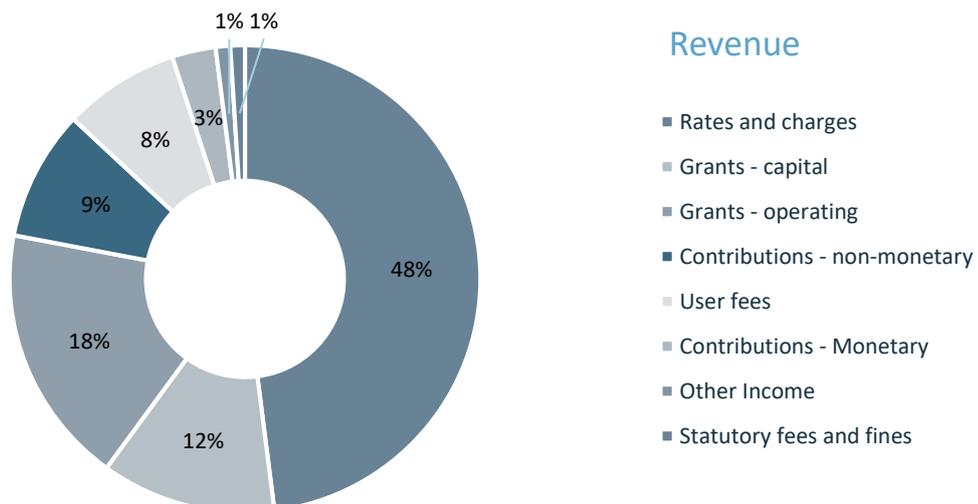
For 2016/17, Mitchell Shire Council achieved the following results:

- > \$6.1 million “adjusted underlying surplus”, compared to \$6.9 million adjusted underlying deficit for the previous year. Both years have skewed results due to the timing of the Financial Assistance Grant.
- > \$23.85 million surplus (compared to \$7.07 million surplus the previous year). This is derived from:
 - \$79.36 million revenue with 48 per cent coming from rates and charges
 - \$55.5 million expenditure with 39 per cent attributable to employee and labour costs (34 per cent due to materials and services and 22 per cent depreciation)
 - \$453 million net assets. This is \$9.4 million more than last year
 - \$34.6 million holdings in cash. This is \$14.7 million more than last year as explained above.
 - \$17.6 million loans and borrowings. This is \$4 million more than last year due to a loan drawdown of \$5.4 million following land purchase and scheduled repayments made.

REVENUE

Council’s total revenue for 2016/17 was \$79.4 million (compared with \$64.7 million in 2015/16), which includes \$7.5 million in non-monetary ‘gifted’ assets from developers. Council received a higher level of grant funding in 2016/17, largely due to the advance payment of \$3.5 million in June 2017 of the annual Financial Assistance Grants funding.

A breakdown of Council’s operating revenue is shown in the graph below and highlights Council’s reliance on rate revenue to fund community services and the renewal of community assets.

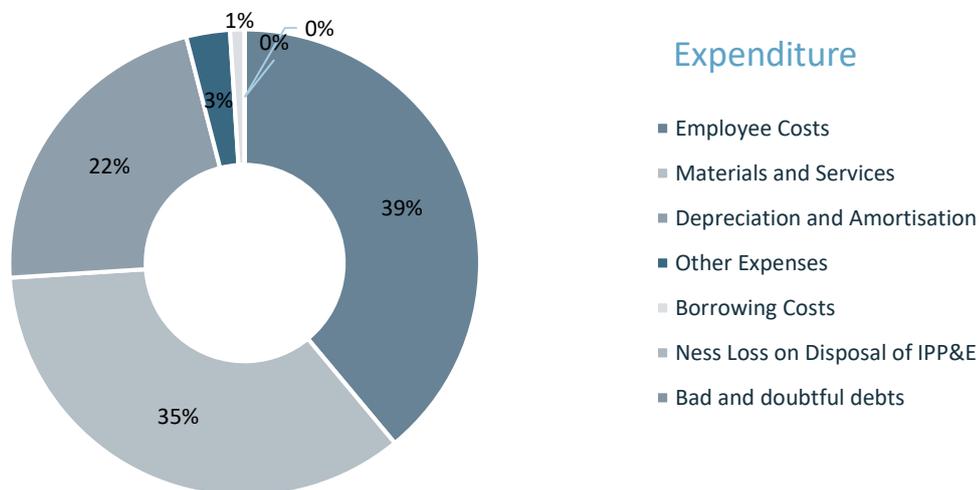


EXPENSES

Total expenditure for 2016/17 was \$55.5 million (compared with \$57.8 million in 2015/16). This decrease includes a \$2.5 million decrease in depreciation; employee costs were down by \$1 million primarily due to vacancies, part of this is offset within materials and services from labour hire; and an increase in materials and services of \$1.6 million.

A breakdown of Council's expenditure categories is shown in the graph below which reflects the fact that 95 per cent of Council's total spending relates to three categories:

- > employee and labour costs at 38.8 per cent (compared to 39.1 per cent in 2015/16)
- > materials and services at 34.4 per cent (compared to 30.36 per cent in 2015/16)
- > depreciation of assets at 22.3 per cent (compared to 25.7 per cent in 2015/16)

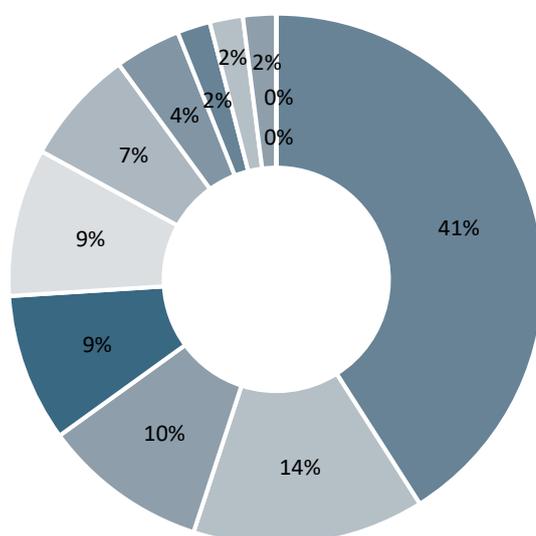


Note: where 0% appears, the actual result is less than 1%

ASSETS

Council's financial position improved by \$20.03 million during the year. This comprises a surplus of \$20.83 million and a reserves decrement of \$0.8 million. Council's net worth as at 30 June 2017 was \$460 million (\$440 million in 2016) and comprised liabilities of \$36 million and the following assets:

Asset	\$ million	%
Roads	204.693	41%
Buildings	68.023	14%
Drainage	48.476	10%
Land	43.669	9%
Cash and other assets	45.526	9%
Bridges	32.979	7%
Footpaths and cycle-ways	20.31	4%
Plant and equipment	7.879	2%
Recreational, leisure and community assets	11.188	2%
Landfill and transfer stations	11.015	2%
Parks, open space and streetscapes	1.653	0%
Other infrastructure assets including work in progress	0.404	0%
Total	495.815	100%



Assets

- Roads
- Buildings
- Drainage
- Land
- Cash and other assets
- Bridges
- Footpaths and cycle-ways
- Plant and Equipment
- Recreational, Leisure and Community
- Landfill and Transfer Stations
- Other including WIPs
- Parks, open space and streetscapes

Note: where 0% appears, the actual result is less than 1%

BORROWINGS

Council's borrowings at 30 June 2017 were \$17.603 million, which equates to a 42 per cent indebtedness level. The Victorian Auditor General's Office compares non-current liabilities to own-source revenue (typically rates and user fees and charges) and considers a prudential limit of between 40-60 per cent as a medium risk. Council has budgeted to add a further \$0.91 million to borrowings in 2017/18 to allow for further progress on the Seymour Flood Levee (Council's contribution towards stage 2 and 3 of the Seymour Flood Mitigation Project). The borrowings will only be drawn down when these projects go ahead. Borrowings will be in line with Council's borrowing policy and determined as part of the annual budget process.

CAPITAL WORKS

The capital works program is funded through rates, government grants and other contributions. Council spent \$9 million on land and buildings and \$8 million on infrastructure works during 2016/17, these works included \$6.6 million in renewing existing assets such as roads, buildings, footpaths and kerb and channel.

The capital works program was expanded during 2016/17 following finalisation of the 2015/16 carried forward works as well as the receipt of additional grant funding. \$16.7 million in capital projects have been deferred to 2017/18 following expanded budgets from further available funding.

Key projects completed during the year included the planned strategic acquisition of land for open space in the south of the shire, the opening of the Community Bank® Adventure Playground Wallan and the Wallan Family and Children's Centre.

CASH

Council plans for a positive net cash inflow from operating activities to provide funds for both the day-to-day operations, as well as for its capital works program. The net cash inflow from operating activities for 2016/17 was \$29.6 million (\$17.5 million in 2015/16). Council's cash position at 30 June 2017 is \$34.6 million (compared to \$19.8 million in 2015/16), an increase of \$14.7 million. Council has successfully replenished cash holdings to improve its liquidity position and ensure that there is sufficient working capital to meet current commitments and will remain focused on ensuring cash holdings remain at appropriate levels.

Council's working capital ratio for the 2016/17 financial year is 2.6 (compared with 1.9 in 2015/16). The result is generally favourably skewed by the amount of unspent capital works and operation projects. The 2016/17 result is further skewed by the partial prepayment of the Financial Assistance Grant.

CONCLUSION

Council has steadily improved its financial health over the last few years with a primary focus on the adjusted underlying result and, ideally, achieving sustained, adjusted underlying surpluses, rebuilding cash holdings and increasing investment in our assets for our existing and growing community. The process of building a solid financial foundation to support Mitchell Shire is well underway and will remain a long-term focus over the coming years in line with Council's Long Term Financial Planning. Council will continue to work with the community to improve communication and engagement in respect to Council's finances as well as to better understand the community's needs and expectations.

While this report focuses on the financial performance over the past 12 months, Council continues to look forward with its short, medium and long-term financial plans and models. The 2016/17 budget has delivered a \$2 million saving in net operating costs whilst directing additional funds into capital works. This has been achieved despite the imposition of rate-capping and with long-term financial sustainability as a clear focus.

Council is very aware that the challenges relating to further revenue and cost pressures facing a rapidly growing municipality must be met with a willingness to seek shared service models, operational efficiencies as well as reviewing existing service and asset levels. For a detailed picture of our financial performance please see the Financial Report.

2016/17 EVENTS SNAPSHOT

JULY

- > NAIDOC Week with Seymour Local Indigenous Network
- > Microchip and pet registration day
- > Youth card released
- > National Tree Day
- > Youth Council sworn in
- > Citizenship ceremony
- > Seymour Structure Plan Goulburn River walk
- > Pauline Candy is shortlisted for Victorian School Crossing Supervisor of the Year.



AUGUST

- > Council began operating Broadford Living and Learning Centre at the request of the State Government
- > Kilmore and Wandong Heathcote Junction Structure Plans adopted



SEPTEMBER

- > School holiday program
- > Biodiversity month
- > Compost bin and worm farm subsidy program
- > Spring floods caused major damage to infrastructure including roads, bridges and parks across the shire
- > Broadford Sports Pavilion opening



OCTOBER

- > Co-working space pop-up
- > Seniors Festival and Annual Seniors Concert
- > Pedometer Challenge
- > Walk to School program
- > Tastes of the Goulburn Festival
- > Emirates Melbourne Cup Tour visits Seymour and Kilmore
- > Honbetsu Sister City delegation visits Broadford from Japan to celebrate 25 years
- > Council elections



NOVEMBER

- > Pet Expo
- > White Ribbon Family Day
- > Citizenship Ceremony
- > Greater Beveridge Community Centre and Wallan Town Heart funding announced



DECEMBER

- > Outdoor pool season begins
- > Seymour Visitor Information Centre celebrates 20 years
- > International Day of People with Disability
- > Community Bank® Adventure Playground and Splash Park opens in Wallan
- > Hudson Park Playground opens in Kilmore
- > Kings Park netball facility funding announced in Seymour
- > Broadford Living and Learning Centre funding announced



JANUARY

- > School holiday program
- > Australia Day Awards
- > Citizenship ceremony

FEBRUARY

- > “Remove it, Lock it or Lose it” initiative
- > Health and Wellbeing Expo
- > Community Bank® Adventure Playground Celebration Day
- > Positive Ageing Ambassadors appointed
- > Council Plan and Health and Wellbeing survey conducted



MARCH

- > Harmony Day
- > International Women’s Day
- > Clean Up Australia Day
- > Microchipping Day
- > Multicultural Food Truck Festival
- > Volume Colour Dash
- > Greenhill Reserve Wallan new changeroom facilities opened



APRIL

- > National Youth Week Carnival
- > National Volunteer week
- > Premiers Active April Program
- > Citizenship Ceremony
- > Harley Hammond Reserve Broadford re-opened after oval resurfacing



MAY

- > National Simultaneous Storytime
- > Community Bank® Adventure Playground wins state design award

JUNE

- > International Volunteers Day
- > World Environment Day
- > Maternal and Child Health Service celebrates 100 years



CAPITAL WORKS SNAPSHOT

The following is a summary of 2016/17 infrastructure projects including Growing Suburbs Fund projects.

BRIDGES

- Highlands Road Bridge x2, Whiteheads Creek
- Dropmore Road, Highlands
- Mugavins Road, Upper Plenty

UNSEALED ROAD RENEWAL PROGRAM

- Lithgow Street, Beveridge
- Kelly Street, Beveridge
- Stewart Street, Beveridge
- Spring Street, Beveridge
- Davis Road, Broadford
- The Bridle Track, Glenaroua
- Nannys Creek Road, Kilmore East
- Majors Line Road, Tooborac
- Paddys Dam Road, Tooborac
- Youngs Lane, Tooborac
- Mahadys Road, Upper Plenty
- Forbes-Moranding Road, Willowmavin
- Dry Creek Road, Kilmore East

SEALED ROAD RENEWAL PROGRAM

- Queen Street, Wallan
- Rail Street, Wandong
- Railway Place, Seymour
- Old Sydney Road, Wallan
- Conway Street, Kilmore
- Highlands Road, Seymour

FOOTPATHS

- Murchison St, Broadford
- Kilmore-Lancefield Road, Kilmore
- Powlett Street, Kilmore*

*Commenced in 2016/17 and will be completed in 2017/18

ROAD SAFETY PROJECTS

- Seymour-Avenel Road, Seymour
- Hamilton Street, Kilmore

DRAINAGE

- Collas Street, Seymour
- Hanley Street, Seymour
- Rupert Street, Broadford

BUILDING, CONSTRUCTION AND IMPROVEMENTS

- Wallan Family and Children's Centre
- Broadford Youth Centre
- Broadford Pound - drainage and flooring

LEISURE AND RECREATION

- Community Bank® Adventure Playground Hadfield Park, Wallan
- Harley Hammond Reserve, Broadford – oval renovation
- Hudson Park, Kilmore – playspace
- Moore Court, Kilmore – playground
- Greenhill Reserve, Wallan – goal-post replacement
- Broadford Stadium – sports pavilion
- Lane Rope renewal
- Kilmore Skate Park / BMX Facility renewal
- Swimming pool works
- Sports Pavilion Upgrade Program – kitchen compliance
- RB Robson Stadium – risk management works

MAJOR PROJECTS SNAPSHOT

ROADS, BRIDGES AND FOOTPATHS

Four bridges featured in the Capital Program in 2016/17. Three vehicle bridges were replaced in the Whiteheads Creek and Highlands areas, while a fourth bridge in Upper Plenty received modifications to increase the load limit. Costs to Council for these projects were minimised by securing grants through the Federal Governments Bridges Renewal Program.

The reconstruction of Queen Street in Wallan was a key road project for Wallan that was timed to complement the new Community Bank® Adventure Playground. This road project involved the full construction of the road carriageway, indented parking and improved pedestrian crossing points to cater for the increased pedestrian movement in this area.

Project planning and design for the reconstruction of Rutledge Street in Kilmore also progressed this year with construction due to commence in September 2017.

In addition, over 32km of unsealed roads were brought back to life with new gravel material being applied to ensure our rural roads remain safe and operational.

Council also continues to work hard to address missing link footpaths across the Shire with key footpaths created around Nexus Primary Health in Broadford and along Kilmore-Lancefield Road in Kilmore. A significant amount of footpath renewal works have also been undertaken in a number of our townships to ensure existing footpaths remain safe to use.

COMMUNITY BUILDINGS

The Broadford Youth Centre opened in September 2016 and provides a space for young people aged between 10-18 years to drop in, socialize, meet new people and take part in free activities within a safe and supported environment. Young people take part in a range of recreational programs at Mitchell Shire Youth Centres located in Wallan and now Broadford, including arts and culture, leadership, nutrition, fitness and technology. The Broadford and Wallan Youth Centres provide support to our most vulnerable young people and are a referral pathway to local services including drug and alcohol, health, legal and housing support.

The Wallan Family and Children's Centre opened in January 2017 and provides a service hub for families and children in Wallan and its surrounding areas. Support services include 3yo and 4yo kindergarten, maternal and child health services, parenting support groups and specialised services (still developing partnerships to broaden this support). The site is a welcoming space for local families and the foyer area provides an open sitting space with access to tea and coffee facilities to encourage informal catch ups. The site is located on the grounds of Wallan Primary School which encourages greater interaction across the community and assists with the transition process from kindergarten to school.

PARKS, PLAYGROUNDS AND OPEN SPACE

Community Bank® Adventure Playground at Hadfield Park

The \$2 million Community Bank® Adventure Playground at Hadfield Park opened in Wallan just before Christmas 2016. This iconic new playground and splash park was a partnership between Mitchell Shire Council, the Victorian Government's Growing Suburbs Fund, the Wallan & Kilmore Community Bank® branches and the Mitchell Shire community, who played a key role in the design.

The centrepiece of the playground is an 8-metre tower which also features climbing activities, a 6-metre spiral slide, double flying fox, nest and basket swings. The highly interactive zero depth splash park provides fully accessible water features such as spiral water sprays, a water bucket, sensory trough and a creek bed. The project also included extensive new landscaping, amenities upgrades and new fencing.

The playground now provides the growing Wallan and surrounding communities with a state of the art, highly engaging adventure and water play experience, designed to provide universal access to people of all ages and abilities. Since opening in December 2016, the Mitchell Shire community has embraced the playground, which has attracted more than 20,000 visitors from across the state and beyond which has also provided a boost to the Wallan retail precinct.

Harley Hammond Reserve Oval renovation

A \$340,000 oval renovation was completed at Harley Hammond Reserve in Broadford. The renovation included a new grass playing surface, turf cricket wicket, automatic irrigation system, oval reshaping works, a new drainage system and conduit laid for future lighting upgrades. The project was supported by Council and the Victorian Government's Sport and Recreation Victoria Community Facility Funding Program.

Council worked in partnership with the Harley Hammond Reserve Committee of Management, sporting clubs, Assumption College, community members and funding partners to complete this project. The renovation works have provided the football and cricket clubs with a much-improved playing surface that has improved carrying capacity. Members of the public, community groups and schools will also be able to use the oval throughout the year.

Hudson Park Playspace Kilmore

Kilmore's playground at Hudson Park was fully upgraded during 2016/17, with the ageing equipment replaced by an engaging, creative and contemporary nature based play space. Located in the centre of Kilmore, Hudson Park services children from across the Kilmore community, as well as being an attractive stop off point for visitors to the town.

The \$304,000 project, supported by the Victorian Government's Growing Suburbs Fund, provides children of all ages and abilities with an interactive and highly engaging play experience. Features include basket swings, a sand pit, a pebble stream with bridges, bars and platforms. The project also included landscaping and over 35 new trees to create shade and amenity for playground visitors. Since completion, Hudson Park has been a hive of activity, playing host to a large number of family and social gatherings.

RECREATION AND LEISURE

Broadford Sports Pavilion

A \$730,000 multi-use pavilion and changeroom facility was constructed in Broadford during the year. This project was supported by Council, along the State Government's Community Facility Funding Program, the Local Government Infrastructure Program, the Wallan & Kilmore Community Bank® branches of Bendigo Bank and Mitchell Rangers Soccer Club. Council worked in partnership with community members, the soccer club, Broadford Secondary College and funding partners on the project.

The multi-use pavilion provides high quality, accessible change and club room facilities for the 350 playing and social members of the Mitchell Rangers Soccer Club, visiting clubs from Melbourne's north and Broadford Secondary College. It will also be available for use by other local sporting and community groups.

PUBLIC TRANSPORT

Council continues to advocate strongly on behalf of the entire Mitchell Shire community for improved access to public transport services. Improved town bus services in Wallan and Kilmore, including weekend services, is high on Council's list of advocacy priorities.



CONSULTATION SNAPSHOT

Council undertook a number of consultation and engagement projects in 2016/17.

- > Age Friendly Communities Project
- > Beveridge Township Development Plan (strategic land use planning)
- > Broadford State Motorcycle Sports Complex Masterplan
- > Broadford Living and Learning Centre redevelopment designs
- > Broadford Youth Centre Redevelopment
- > Budget and Strategic Resource Plan
- > Councillor allowances
- > Council Plan
- > Environment survey
- > Govett Street playground
- > Hadfield Park safety initiatives (CCTV)
- > Health and Wellbeing survey
- > Kilmore Creek Flood Mapping Study
- > National Tree Day evaluation
- > Pedometer Challenge evaluation
- > Road Management Plan
- > Seymour Structure Plan
- > Seymour Outdoor Pool
- > Tourism and Visitor Economy survey
- > Wallan to Heathcote Rail Trail Feasibility Study
- > Wallan Town Centre Masterplan and Urban Design Framework
- > Youth survey

VAGO audit

Mitchell Shire Council was one of six councils selected by the Victorian Auditor General's Office (VAGO) to take part in a Public Participation and Community Engagement in the Local Government Sector audit.

VAGO tabled their report with the Victorian Parliament with three recommendations for councils:

- > Assess, update and promote public participation policies
- > Build monitoring, reporting and evaluation activities into public participation exercises
- > Develop and document comprehensive public participation plans and outcomes.

Mitchell will consider the recommendations as part of a planned review of the Engagement Framework.

COMMUNITY SATISFACTION SURVEY

Each year, Local Government Victoria (LGV) coordinates and auspices an annual Community Satisfaction Survey for Victorian councils. The results of core measures are included in Council's Annual Report each year and on the State Government's Know Your Council website as part of the Local Government Performance Reporting Framework. Conducted by the State Government in February and March, the telephone survey of 400 residents, measures core performance and service areas.

Satisfaction with Mitchell Shire Council's performance across seven core areas and five individual service areas has improved across the board in the 2017 survey.

Satisfaction with overall direction jumped by 16 points to 53 – the largest single improvement for Mitchell Shire in the past five years. The result also brings the indicator in line with the state average and slightly above the large rural council average.

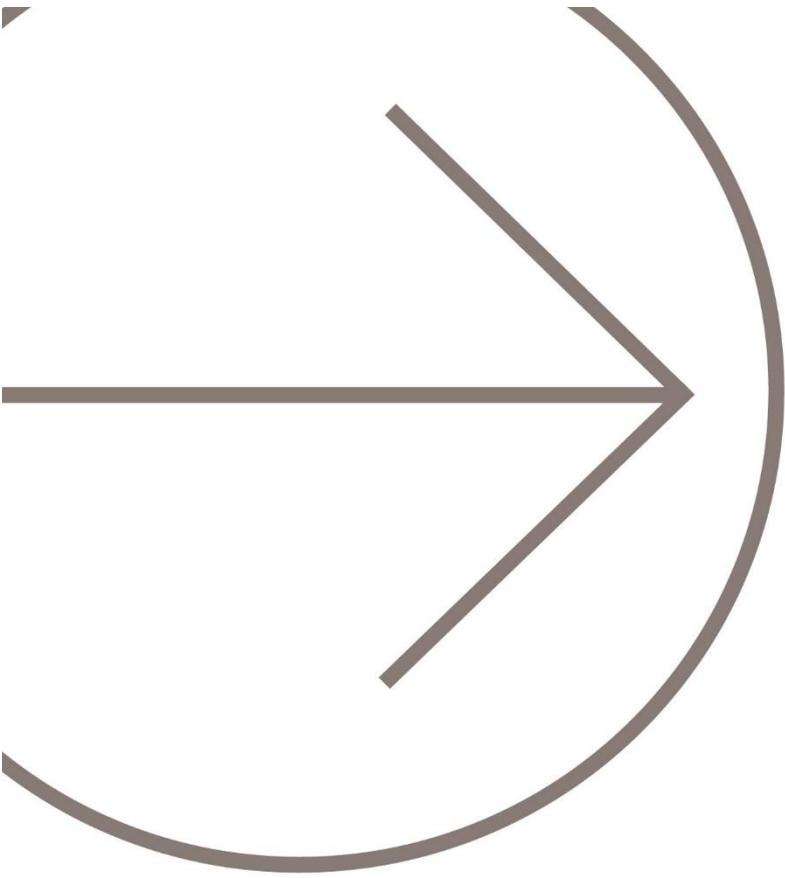
Core measures for overall performance, community consultation, making decisions on behalf of the community, advocacy and customer service also improved substantially, although they have not recovered to previous levels and remain below the large rural and state averages.

Customer service, waste management, recreational facilities and the appearance of public areas recorded the highest results with scores above 60. Sealed local roads and local streets and footpaths recorded the lowest results with scores below 40.

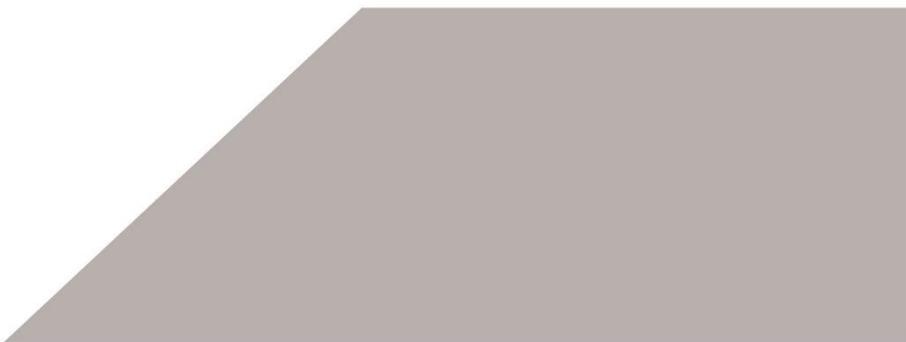
Planning for population growth improved from 39 to 44, with the biggest change in the south ward where it jumped from 36 to 44, and among people aged 50-64 (up from 33 to 42) and women (up from 39 to 48 points).

CORE MEASURES	Mitchell 2014	Mitchell 2015	Mitchell 2016	Mitchell 2017	Large Rural 2017
Overall performance	51	54	42	48	54
Community consultation*	49	53	42	47	52
Advocacy (lobbying)*	48	49	40	45	51
Making community decisions*	N/A	49	41	46	51
Sealed local roads*	N/A	43	37	38	43
Customer service*	65	68	60	63	66
Overall council direction	50	55	37	53	52
SERVICE AREAS					
Waste management	66	64	61	65	68
Appearance of public areas	62	63	59	61	69
Recreational facilities	57	60	55	62	66
Informing the community	55	56	46	52	60
Planning for population growth	45	50	39	44	48

*indicates a core measure that is also a service area measure



ABOUT MITCHELL SHIRE COUNCIL



OUR VISION

OUR VISION

Together with the community, creating a sustainable future.

OUR MISSION

Working with our communities to build a great quality of life.

Mitchell Shire Council:

- > is committed to providing good governance and compassionate leadership
- > is committed to supporting our diverse community
- > values community involvement, and vigour and diversity of opinion
- > recognises the commitment of our staff
- > will protect and enhance our natural environment
- > will plan for and promote our future
- > will promote economic development within our municipality.

OUR ORGANISATION VALUES: ONE MITCHELL – WE WORK AS ONE!



Working Together

- > Teams work together to get the job done
- > Leaders guide and inspire



Respect

- > People respect and help each other to succeed
- > Staff are appreciated and valued
- > Success is celebrated



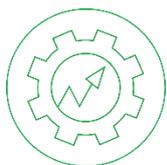
Customer Service Excellence

- > Customers experience exceptional service
- > Customers and staff are treated with dignity and respect
- > We do what we say we're going to do



Accountability

- > Every person is accountable for the success of One Mitchell...It starts with me!
- > A strong sense of dedication and pride
- > A strong sense of community and belonging



Continuous Improvement

- > Look for ways to improve the ways we work
- > Develop staff to be the best that we can be

OUR COUNCILLORS

Mitchell Shire has three wards: North, Central and South. Residents are represented by three Councillors in each ward. The Mayor is elected by the Councillors and holds office for 12 months. The last general Council election was held in October 2016. The next Council election will be in October 2020.



Councillors (L-R): Cr Bob Humm, Cr Bob Cornish, Cr Rob Eldridge, Cr David Lowe (Deputy Mayor), Cr David Atkinson, Cr Rhonda Sanderson (Mayor) Cr Fiona Stevens, Cr Annie Goble, Cr Bill Chisholm

COUNCILLOR DAVID ATKINSON (CENTRAL WARD)

Councillor Atkinson lives in Kilmore with his wife and two children. Having spent most of his working life in the field of accounting and audit, in a diverse range of industries, such as Health, Finance, Manufacturing, Insurance and Clothing, and Cr Atkinson currently operates his own accountancy service in Kilmore. Cr Atkinson has a keen interest in ensuring that the Mitchell Shire Community sees value for money.

He has worked closely within Mitchell from 2009 to 2011 when he was the Bushfire Recovery Coordinator with Mitchell Community Health Services, working with counsellors and community development officers in both Mitchell and Murrindindi shires.

Cr Atkinson has had a long-term involvement with Apex, has participated in community events and activities such as the Kilmore Celtic Festival, the re-establishment of the Kilmore Miniature Railway and junior football and athletics. He is currently engaged in Mitchell Freemasons Lodge in Broadford, The Kilmore and District Men's Shed and a committee member of BEAM Mitchell Environment Group as well as running a Clean-up Kilmore Day once a month.

Cr Atkinson was first elected in 2016.

COUNCILLOR BILL CHISHOLM (NORTH WARD)

Councillor Chisholm, a long-time resident of the Tooborac/Pyalong community, has had an interesting and varied career in small business, from part-owning and managing a local service station, to farming and fencing enterprises.

A large part of his life experience involves raising a happy and successful family, travel and community involvement, including School Council, Landcare, the local CFA and other community organisations.

These varied experiences have provided him with a strong understanding of the requirements of small business and the expectations and needs of rural communities and small towns. He fully appreciates the need for sound financial management and getting the best value for every dollar.

Cr Chisholm lives with his wife Liz and family on a rural property in the Tooborac area and treasures this unique and beautiful rural environment and a supportive community.

Cr Chisholm was first elected in 2012 and then again in 2016.

COUNCILLOR BOB CORNISH (SOUTH WARD)

Councillor Cornish has lived in Wallan with his wife Pauline and children for more than 40 years.

Given the expected population growth in the municipality, Cr Cornish wants to ensure that infrastructure and facilities keep pace with the community's needs. Cr Cornish is focussed on ensuring that rate revenue is spent wisely, and that grant opportunities are maximised for the benefit for the whole community.

Cr Cornish was previously a member of Kilmore Shire Council prior to amalgamation, and was first elected to Mitchell Shire Council in 2012, and then again in 2016.

COUNCILLOR ROB ELDRIDGE (SOUTH WARD)

Councillor Eldridge has had a highly successful and varied career in IT, project management, general management and business consultancy, working for organisations such as Colonial, CGU Insurance, Orica, NAB and ANZ as well as state government departments such as TAC, SRO, and VicRoads.

This experience has provided him with strong business and financial planning skills and balances out his personal passion for the environment and community, and is the drive behind his quest to make Mitchell Shire a great place for families and businesses.

Cr Eldridge and his wife moved to Wallan 10 years ago, after 30+ years in Eltham. His three children and their children also live in Wallan and are a considerable influence in his choice of community involvement. He has been an active member of many Shire Committees and has been heavily involved with several community groups, including as a committee member and office bearer.

Cr Eldridge was first elected in 2016.

COUNCILLOR ANNIE GOBLE (CENTRAL WARD)

Councillor Goble was born in Melbourne, educated in Hawthorn, and it was in Gippsland where she developed her experience in the cattle and dairy industries, hospitality and tourism. She trained in general nursing, then worked in United Kingdom before returning to Australia to pursue further study in the healthcare sector, where she now specialises in Aged and Palliative Care.

Cr Goble's parents inspired her social conscience, and she has had a long involvement in championing the need for improved services for the disadvantaged.

She has been a Kilmore resident for six years, exploring her passion for equestrian sports as a thoroughbred trainer. Cr Goble has continued her social activism in the area and within the community she both lives and loves, and has been a founding member of the Kilmore Trainers Group and as President of the Kilmore and District Residents and Ratepayers' Association, prior to her election to Council.

Cr Goble understands the potential of Mitchell Shire and wants to be part of seeing that realised. She is committed to working for the betterment of the disadvantaged and our community as a whole.

Cr Goble was first elected in 2016.

COUNCILLOR FIONA STEVENS (NORTH WARD)

Councillor Stevens is married and has two adult daughters and two grandchildren. She brings to Council extensive knowledge of the Mitchell area having grown up and been educated in Broadford. When she returned to the region to live in Seymour in 1981 she involved herself in many community organisations.

With an extensive background as a sworn member of Victoria Police, she retired in 2013. She explains her professional role was by choice in Crime Prevention: investigating child abuse, sexual assault and domestic violence. In 2003, she was awarded the Jack Brockhoff Churchill Fellowship enabling three months' study in the United Kingdom to investigate ways to improve police and stakeholder responses.

She was President and Secretary of the Victoria Street Kindergarten; on St Mary's College School Committees; President and Secretary of Seymour Girl Guides; a member of the Seymour Inaugural Life Education Committee; Seymour Rotary member (past Board Member and Past President in 2008/09); a member of the Seymour Save The Outdoor Pool Committee (2001-16); and the elected community representative on the Mitchell Shire Olympic Torch Relay Planning Committee.

Cr Stevens enjoys identifying issues and researching to find solutions. She is keen to find a fair and appropriate outcome to community concerns and is passionate to see Mitchell Shire progress.

Cr Stevens was first elected in 2016.

COUNCILLOR BOB HUMM (CENTRAL WARD)

Councillor Humm has a family background in small business. His professional life saw him engage and support the manufacturing industry throughout Australia.

From a young age, he had a keen interest in the cattle industry and has ventured back into cattle breeding since moving to Kilmore.

Cr Humm is actively involved with the Kilmore General Cemetery Trust, and is a past member of the Kilmore and District Ratepayers Association. An amateur footballer prior to moving to Kilmore, his sporting commitments now relate more to watching his grandchildren's active sporting life.

His interests in local government are broad although he is keen to see venues for activities given a priority for the wellbeing of the community.

Cr Humm was first elected in 2003, 2005 (until 2008), and then again in 2016.

COUNCILLOR DAVID LOWE. DEPUTY MAYOR FROM NOVEMBER 2016, (SOUTH WARD)

Councillor Lowe's background was almost entirely centred around working for major blue-chip companies in various parts of the world.

After leaving Liverpool University, Cr Lowe joined a major international engineering organisation where he progressed over the first six years of his career. He then joined a food and household products organisation where he spent the next ten years culminating in the role of European Director of Procurement. This was followed with the role of Managing Director of a fresh food organisation employing approximately 2000 employees over three sites.

Cr Lowe then moved into consultancy and worked in with a number of "household names" in Australia's petroleum and airline industries, several Councils and the Ministry of Defence.

Cr Lowe has worked in North and South America, the UK and Europe, the Middle East and Asia. His main business interests were within the commercial buyer/seller interface.

Cr Lowe was chosen as a volunteer for Infrastructure Victoria's Citizen Jury to help design the 30-year future of Victoria and this led to his decision to run for Council and contribute to the future of the Shire.

Cr Lowe has lived, with his wife Frances, in the Shire for ten years and believes the Mitchell Shire has an incredibly exciting future as it grows to take its place as a major conurbation linking metropolitan Melbourne with Country Victoria,

Cr Lowe was first elected in 2016.

COUNCILLOR RHONDA SANDERSON, MAYOR FROM NOVEMBER 2016 (NORTH WARD)

Born and raised in Seymour, Cr Sanderson was first elected to Council in 2012 and re-elected in 2016. She has served as Deputy Mayor (2013/14) and Mayor (2016/17).

Community service is important to Cr Sanderson - both through employment and voluntary work. Cr Sanderson's career has been spent mostly in administration and management largely in law enforcement and training. She holds a BA (ANU 2007) and is an AICD Company Directors' Course Graduate (2015).

The issues Cr Sanderson is committed to pursuing are: improved consultation and transparency; fair treatment of all residents and ratepayers; township beautification; economic development and job creation; effective planning and development; more youth activities; a safe network of footpaths and trails; and, community infrastructure which meets local needs.

Cr Sanderson has been an active volunteer on numerous community committees and in community organisations. She views her role on Council as a continuation of her service to the community and enjoys working to improve the quality of life of Mitchell Shire residents.

Councillors from 1 July 2016 until the general election in October

North Ward

Cr Bill Melbourne
First elected 2003

Cr Bill Chisholm
First elected 2012

Cr Rhonda Sanderson
First elected 2012

Central Ward

Cr Des Callaghan OAM, JP,
BJ (Deputy Mayor)
First elected 2008

Cr Ross Lee
First elected 2003

Cr Rodney Parker
First elected 2012

South Ward

Cr Bob Cornish
First elected 2012

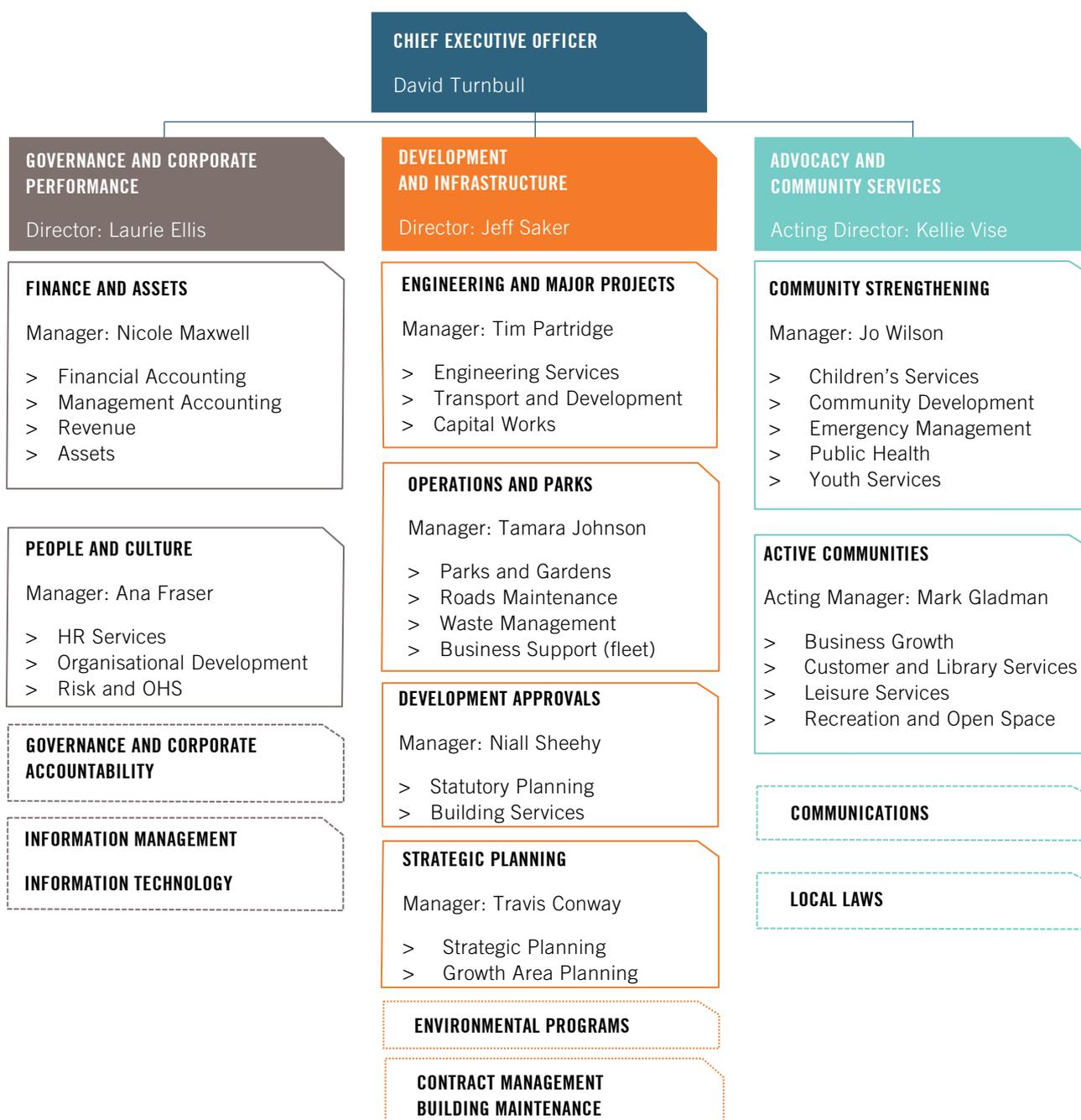
Cr Kevin Mulroney
First elected 2008

Cr Sue Marstaeller OAM, JP
(Mayor)
First elected 2003

OUR ORGANISATION

In April 2017, Council underwent an organisational realignment that focused on governance, transparency, advocacy and stability. The changes intended to ensure a sustainable organisational structure moving forward, as well as preparing ourselves to address the significant growth and change in the short to medium term. There were no changes to the number of staff and positions.

As at 30 June 2017, the Executive Leadership Team comprised three Directors and the Manager People and Performance, as well as a second Manager from the Senior Leadership Team to be rotated every four months. This expanded membership was developed to provide greater diversity of gender and role mix which will contribute to a greater range of opinions and quality discussions and decisions.



OUR PEOPLE

Our five values of working together, respect, customer service excellence, accountability and continuous improvement drive our customer-focused service delivery.

AWARDS

Excellence Awards

To celebrate the work of our employees, in March 2017 staff were recognised, either individually or as part of teams, for their efforts and contribution to Mitchell Shire Council. An all staff event was held and Awards were presented for Innovation and Creativity, Excellence, Showing Leadership, Customer Service, Cross-organisational Collaboration and Unit Teamwork.

A special Values Champion Award was also presented as part of our commitment to One Mitchell. In April 2017, staff were also recognised for their years of committed service in a presentation at Council.

Mitchell Youth Services

The Mitchell Youth Strategy was a finalist in the Policy Development category at the IPAA Leadership in the Public-Sector Awards. Also, Mitchell Youth Service, Mitchell Youth Council and Sidedoor Marketing won a Silver Award at the Melbourne Design Awards for the Cyber Tattoo - It's There for Life campaign. Based around Cyber Safety and anti-social behaviour on line, the campaign's purpose was 2-fold: develop a campaign to create awareness about the risks and consequences of bad cyber behaviour; and make a difference in the community by connecting with young people who may be victims of bullying and identify resources and support.

Mitchell Leisure Services

In March, Emma Pendlebury was successful in her application for Life Saving Victoria's Building Leaders Scholarship which incorporated a series of workshops over 6 months, overseas training component in Sri Lanka where emphasis is placed upon Water Safety including teaching participants how to swim. A main aim of this scholarship is to help build Emma into an Aquatic leader of the future.

In June, Jennifer Fuhrmeister was successful in achieving the AUSTSWIM Adult Swim Teacher of the Year for Victoria. Jennifer will automatically be in the running for the National Award to be held on the Gold Coast in September.

The Community Bank® Adventure Playground

The playground won the prestigious Major Playspace Award at the Parks & Leisure Australia (Victoria/Tasmania) 2017 Regional Awards of Excellence in May 2017.

The award celebrates playspaces in Victoria/Tasmania over \$500,000 that create a sense of 'place' in the community, and exhibit innovative designs that aid childhood development.

ABOUT OUR PEOPLE

As at 30 June 2017 Council had 233 full-time equivalent employees compared to 247 at 30 June 2016. This includes permanent, temporary and casual positions in roles covering planning, engineering, parks and environment, customer service, maternal, child and youth services, sport, leisure and recreation, finance, administration and management.

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

Gender		Office of CEO	Governance and Corporate Performance	Development and Infrastructure	Advocacy and Community Services	Total
Female	Casual	0	0.01	0.03	3.28	3.32
	Full time	1	16	10.8	37	64.8
	Part time	0	6.76	2.86	55.32	64.94
	Total	1	22.77	13.69	95.60	133.06
Male	Casual	0	0	0.01	0.27	.28
	Full time	1	14	60	17	92
	Part time	0	0.75	3.62	3.24	7.62
	Total	1	14.75	63.63	20.51	99.90
Organisation total		2	37.52	77.32	116.11	232.96

Note: As at 30 June 2017, there were 13.6 FTE vacancies.

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

Employment Classification	Female FTE	Male FTE	Total FTE
All (Senior staff)	17.6	17.8	35.4
Band 1	2.76	0.90	3.66
Band 2	6.51	7.55	14.06
Band 3	5.6	18.84	24.44
Band 4	32.44	16.85	49.3
Band 5	19.6	15.00	34.68
Band 6	13.67	12.00	25.67
Band 7	4.22	4.00	8.22
Band 8	1.20	4.00	5.2
Immunisation Nurse (In Charge)	1.22	0	1.22
Kinder Level 1	0.02	0	0.02
Kinder Level 2	1.12	0	1.12
Annualised After (Kinder)	13.56	0	13.56
Leisure Services Officer	7.85	2.95	10.8
Maternal Child Health Nurse	5.70	0	5.69
TOTAL	133.07	99.89	232.96

EQUAL EMPLOYMENT OPPORTUNITY

Mitchell Shire Council is committed to the principles of equal opportunity and believes that all employees, contract workers, agents and volunteers are entitled to work in an environment which is free from discrimination, harassment and sexual harassment. Our policies and practices help ensure that discrimination relating to gender, age, disability, marital status, parenthood, race, colour, national extraction, social or ethnic origin, religion or political affiliation is not tolerated.

Training in the Prevention of Bullying, Harassment and Discrimination has been provided to all staff. Specialised, in-depth training was provided to the Leadership group to ensure our Leaders are equipped to recognise and deal with any behaviours inconsistent with our policy and values. In addition, Contact Officers have been selected, provided with training and rolled out at numerous locations across the organisation.

ORGANISATIONAL DEVELOPMENT

We have continued to focus on continuous learning and leadership development in 2016/17 with a variety of structured Learning and Development programs offered to employees.

Themes included:

- > Leadership
- > Compliance (e.g. Equal Opportunity, Bullying and Diversity in the Workplace, Child Safe Standard Staff Responsibility Sessions)
- > Software applications
- > Professional and Personal development

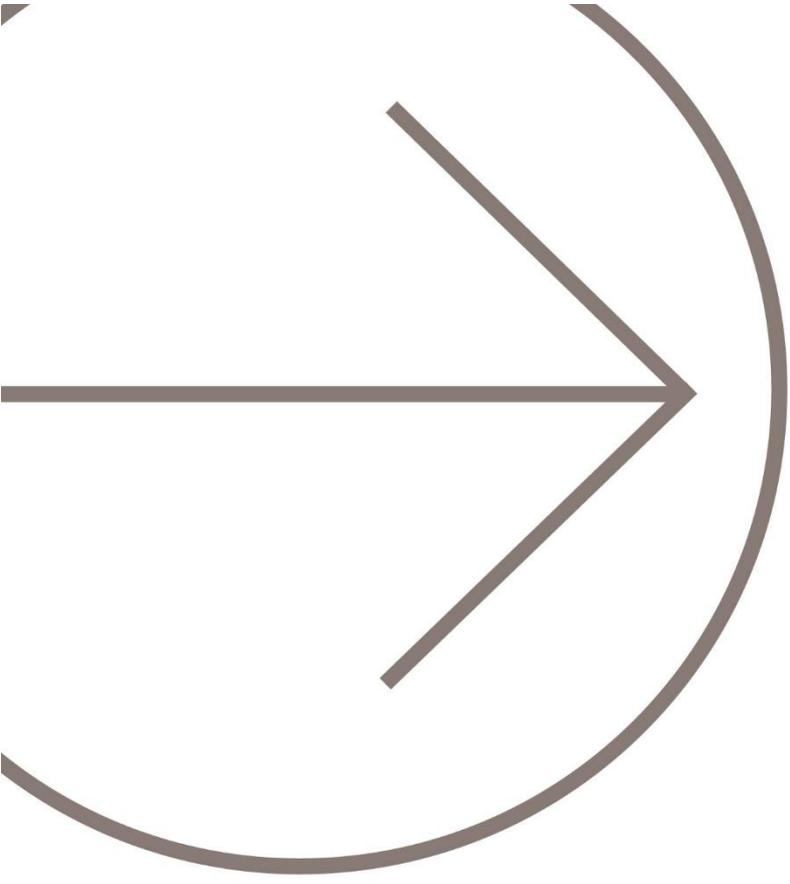
ORGANISATIONAL CULTURE

Council commenced implementation of the One Mitchell Positive Culture Project with the aim of setting out a clear plan to build and sustain a more positive, constructive and engaging culture. This framework will continue to be used to drive positive behaviours and create an environment where people consistently say Mitchell is a great place to work. One Mitchell is also about the way we as an organisation work together to do what we say we will do.

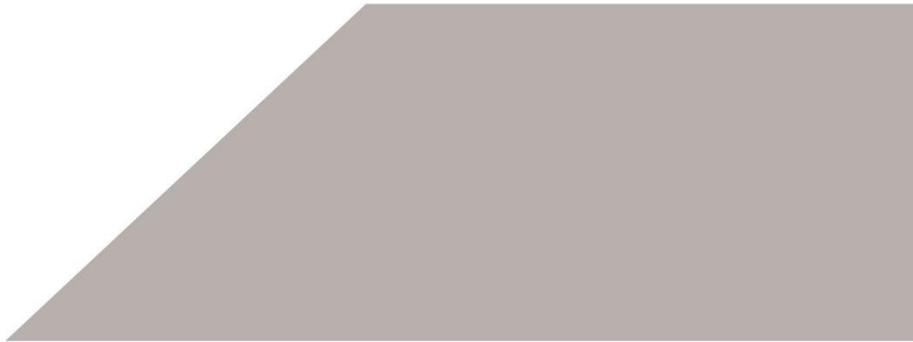
HEALTH AND WELLBEING

As part of Council's commitment to One Mitchell, there are a number of health and wellbeing programs:

- > Health and Wellbeing Committee
- > Flu vaccinations for employees
- > Employee Assistance Program to assist with managing work/life issues
- > Yoga during lunchtime
- > Fruit box program
- > Blood Bank Volunteers
- > Employee Benefits Expo
- > Beyond Blue
- > Mental Health in the Workplace
- > Worksafe Week Program
- > Harmony Day
- > Australia's Biggest Morning Tea
- > RSPCA Cupcake Day
- > White Ribbon Morning Tea
- > Relay for Life



PERFORMANCE REPORTING



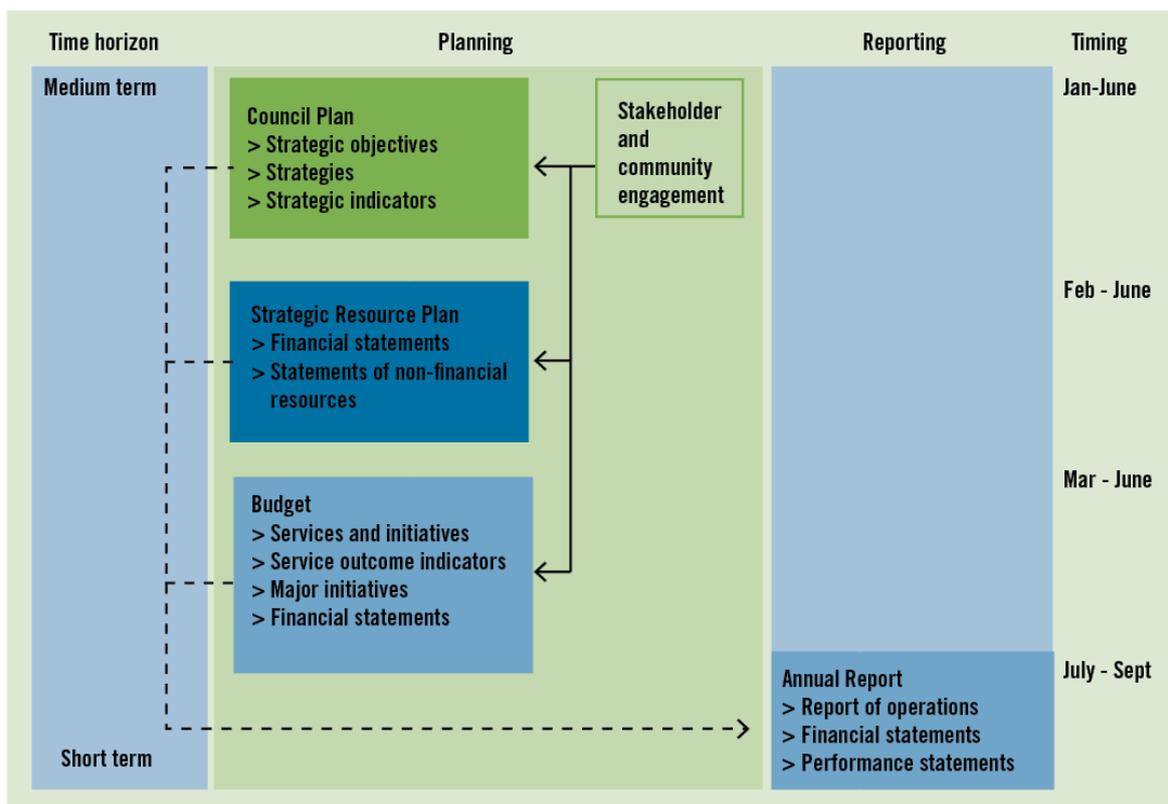
REPORTING

VICTORIAN PLANNING AND ACCOUNTABILITY FRAMEWORK

The *Local Government Act 1989* and the *Local Government Planning and Reporting Regulations 2014* require all Victorian councils to prepare the following planning and reporting documents:

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

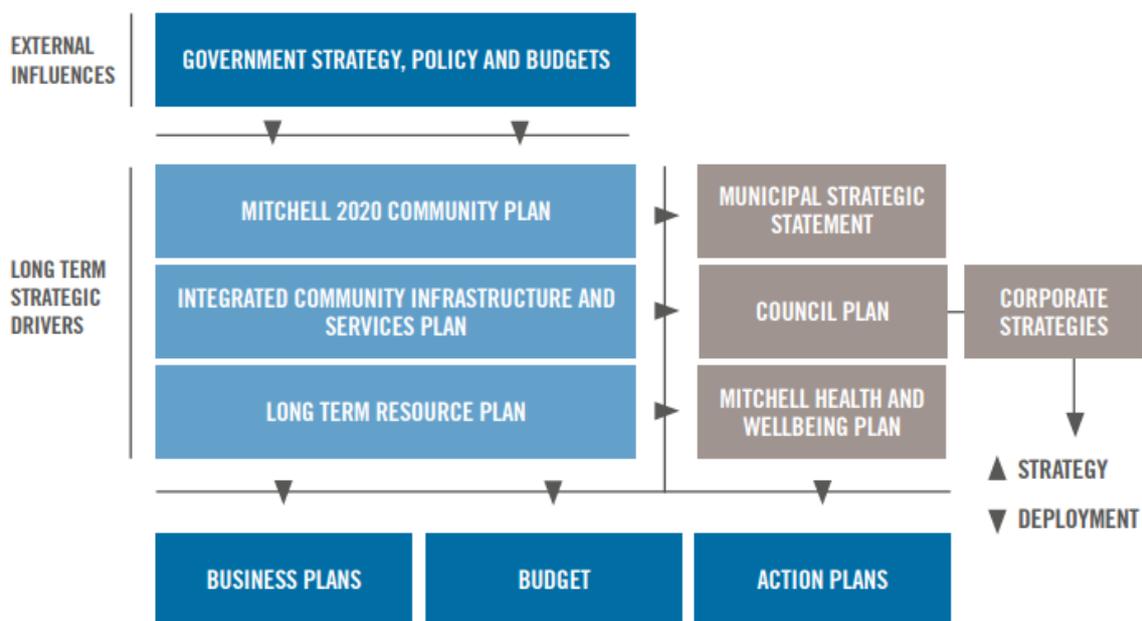
The following diagram shows the relationships between the key planning and reporting documents that make up the planning and accountability framework for local government. It also shows the opportunities for community and stakeholder involvement, input and feedback at various stages of the planning and reporting cycle.



OUR INTEGRATED PLANNING AND REPORTING FRAMEWORK

Mitchell Shire Council’s integrated planning and reporting framework assists Council to align key plans and strategies with available resources. The framework also provides a basis to monitor and measure performance.

The Council Plan forms a fundamental part of Mitchell’s Integrated Planning Framework. The Council Plan is the connection between the external influences of government policy and population growth, Mitchell Shire’s 2020 Community Plan, and, Council’s long-term planning processes. The following diagram emphasises the links between each of the elements.



The priorities in the Mitchell Shire Council Plan 2013-17 are the result of in-depth community consultation. Council reviews the Plan every year to ensure the priorities and objectives remain relevant. If changes are needed, further community consultation is undertaken. Each year we prepare an annual Action Plan which commits Council to delivering specific actions to help us achieve our Strategic Objectives. The Budget is set with these priorities in mind.

Mitchell is committed to implementing an integrated approach to planning, implementation and performance reporting.

Planning is undertaken annually to review the Council Plan, develop department business plans and prepare individual work plans. This ensures a strong line of sight between Council’s strategic direction, available financial resources and day-to-day delivery.

On the 19 June 2017 Council endorsed the Mitchell Shire Council Plan 2017-21 after extensive community consultation and in accordance with Section 125 of the *Local Government Act 1989*.

COUNCIL PLAN PERFORMANCE

Mitchell Shire Council is committed to reporting on progress towards achieving the Measures of Success in the Council Plan. This is the final year of the Council Plan 2013-17.

Performance against the Council Plan (measures and annual action plan) is reported to our community in the Annual Report and the Midyear Update Report. These performance updates are posted on Council's website after the Council meeting at which they have been considered.

These reports enable the community to note our progress and achievements and to see how we adjust priorities to meet any challenges that arise.

The Council Plan 2013-17 includes five strategic objectives. Strategies for achieving these over the four-year period are covered in the plan as well as strategic indicators for monitoring achievement of the objectives and a Strategic Resource Plan.

The following section provides a report of Council's performance against each strategic objective in the 2013-17 Council Plan as well as progress in relation to the Annual Action Plan in the Council Plan and the major initiatives identified in the annual Budget. Information about services funded in the budget and the people or sections of the community who the services are provided for is also included as well as results for the prescribed service performance indicators and measures in the Local Government Performance Reporting Framework.



1. SUSTAINABLE GROWTH AND DEVELOPMENT

Shaping the future of our communities through forward planning and well built and maintained facilities and infrastructure.



2. HEALTHY AND VIBRANT COMMUNITIES

Providing and supporting programs and services to build vibrant and healthy communities where people are proud to live.



3. STRONG REPUTATION AND ECONOMY

Developing a strong regional reputation and supporting local tourism and economic development opportunities.



4. ENVIRONMENTAL RESILIENCE

Responding to changing environmental conditions and protecting our natural environment to ensure long term sustainability.



5. ORGANISATIONAL CAPACITY AND PERFORMANCE

Excellence and innovative performance underpinned by good governance and responsible financial management.



SUSTAINABLE GROWTH AND DEVELOPMENT



STRATEGIC OBJECTIVE 1: SUSTAINABLE GROWTH AND DEVELOPMENT

Shaping the future of our communities through forward planning and well built and maintained facilities and infrastructure.

To achieve our objective of sustainable growth and development we will:

- > Plan for future growth and new communities to ensure sustainable and quality outcomes
- > Build community pride by enhancing the look and feel of townships
- > Plan for a mix of housing types
- > Ensure council assets and infrastructure support current and future needs
- > Manage and deliver the capital works program.

CONTEXT

Mitchell is already experiencing significant growth and this will increase substantially over the next 10-20 years. It is vital that we undertake strategic planning now to ensure our residents have access to diverse housing, community, recreational, educational and employment opportunities.

It is important that we undertake this in a way that is sensitive to the distinctive characteristics of the Shire.

Developing, renewing and maintaining assets and infrastructure is one of Council's most important responsibilities. Infrastructure such as buildings, roads, footpaths and bridges is integral to a well-functioning and safe community, but can be expensive.

SERVICES FUNDED

The following statement provides information in relation to the services funded in the 2016/17 Budget and the people or sections of the community that the services are provided for.

These services are provided for the whole community. There is a key focus on builders and developers, as well as community members who use Council facilities such as buildings, parks and assets.

SERVICE	DESCRIPTION
Engineering	This service is responsible for providing Civil Engineering services for capital projects.
Facility Management	This service is responsible for building infrastructure maintenance and tracking, asset renewal expenditure and targets.
Operations (Roads)	This service is responsible for the maintenance of the Shire's infrastructure assets except buildings and parks and gardens. It includes roads, footpaths, bridges, drainage and street furniture. It also manages Council's plant and vehicle fleet.
Parks and Gardens	This service is responsible for maintaining parks and gardens, playgrounds and sports fields and managing arboriculture, roadside fire prevention, environment and conservation.
Strategic Planning and Sustainability	This service delivers positive land use planning outcomes for current and future generations as well as an environmentally healthy and sustainable Council. It is also responsible for Growth Area Planning including planning and managing Section 173 Agreements and Precinct Structure Plans.
Statutory Planning	This service processes statutory planning applications, building approvals and provides control and compliance under the relevant legislation.
Subdivisions and Major Developments	This service is mainly responsible for Subdivision plan checking and strategic transport assessments.

COUNCIL PLAN – FOUR YEAR MEASURES

The following is a review of the fourth and final year's performance against the Measures of Success in the four-year Council Plan.

MEASURE	TARGET	RESULT	
Delivery of capital works program	≥ 80% completion of budgeted works	80.5% achieved	✓
Sealed local roads requests	≤ 236 per annum	111 per annum or 28.81 ¹	✓
Improvement of local roads and footpaths:			
> Sealed road renewal	15,000 metres annually	2,000m	✗
> Unsealed road renewal	20,000 metres annually	32,500m	✓
> Maintenance grading of unsealed roads	1250 kilometres annually	1,815km	✓
> Footpath renewal	500 metres annually	3600m	✓
Number of township Streetscape Blitzes undertaken	≥ 4 towns, annually	General maintenance only	
Time taken to decide planning applications (median number of days/gross days between receipt of a planning application and a decision on the application)	< 115 days	86*	✓

*LGPRF result

¹ the number of sealed local road requests per 100 kilometres of sealed local road

COUNCIL PLAN – ANNUAL ACTION PLAN

The following is a review of the progress of the Council Plan 2013-2017 Annual Action Plan 2016/17.

ANNUAL ACTION PLAN	PROGRESS
Develop and implement Structure Plans for the key townships of Kilmore, Wandong and Heathcote Junction, Wallan and Seymour.	<p>The Kilmore, Wandong & Heathcote Junction and Wallan Structure Plans have been prepared and adopted by Council. The Planning Scheme Amendment process to implement these plans will commence in the second half of 2017.</p> <p>The Seymour Structure Plan is currently under preparation with the draft plan to be publicly available for community comment in the second half of 2017.</p>
Develop and implement the recommendations in the Wallan Town Centre Master Plan and Urban Design Framework (Wallan Town Centre Plan) and the Kilmore Town Centre Plan.	<p>The Wallan Town Centre Urban Design Framework and the Kilmore Town Centre Plan have been adopted by Council.</p> <p>The implementation of both plans has commenced with the Wallan Urban Design Framework to proceed through a separate Planning Scheme Amendment. This process is likely to start at the end of 2017.</p>
Plan for and deliver the Greater Beveridge Community Hub.	<p>The Greater Beveridge Community Centre project has commenced. Procurement has been endorsed by Council. It is a design and construct process with the successful contractor. Community/Stakeholder Engagement has been completed and final concept designs are being developed. A final engagement session for feedback will be held late July. Full detailed designs are to be finalised end August with construction commencing September 2017.</p>
Collaborate with the Metropolitan (Victorian) Planning Authority on Precinct Structure Plans in Wallan and Beveridge.	<p>This is ongoing particularly with regard to the Precinct Structure Planning (PSP) work program for land identified within the Urban Growth Boundary.</p> <p>The current PSPs being prepared, although at various stages of the planning process, include Beveridge Central, Beveridge North West and Wallan South. The Beveridge Central PSP is now well advanced with the Minister for Planning likely to approve and rezone land late 2017/early 2018.</p>

ANNUAL ACTION PLAN**PROGRESS**

Implement the Sealed and Gravel Road re-sheeting program.

Key sealed road projects including the reconstruction of Queen Street in Wallan and Railway Place in Seymour were completed. Planning and design works for the reconstruction of Rutledge Street in Kilmore was completed and construction is due to commence in September 2017.

The Unsealed Road and Shoulder Resheeting renewal program has been completed in full. Over 32km of unsealed roads have been re-sheeted with new gravel material. In addition, a further 7km of gravel shoulders have been rehabilitated this year.

Deliver Infrastructure Capital Works program including road reconstruction, drainage improvements and footpath works.

A total of four bridges featured in the Capital Program in 2016/17. Three vehicle bridges were replaced in the Whiteheads Creek and Highlands areas while a fourth bridge in Upper Plenty received modifications to increase the load limit. Costs to Council for all these projects were minimised through the securing of grant funding through the Federal Governments Bridges Renewal Program.

The reconstruction of Queen Street in Wallan was a key road project for the Wallan Township that was timed to complement the new Community Bank® Adventure Playground. This road project involved the full construction of the road carriageway, indented parking and improved pedestrian crossing points to cater for the increased pedestrian movement in this area.

Project planning and design for the reconstruction of Rutledge Street in Kilmore also progressed this year with construction due to commence in September 2017. In addition, over 32km of unsealed roads were brought back to life with new gravel material being applied to these roads to ensure our rural roads remain safe and operational.

Council also continues to work hard to address missing link footpaths across the Shire with key footpaths created around Nexus Health in Broadford and along Kilmore-Lancefield Road in Kilmore. A significant amount of footpath renewal works has also been undertaken in a number of our townships to ensure existing footpaths remain safe to use.

Deliver Capital Works program including sealed and unsealed road and shoulder renewal.

As above

MAJOR BUDGET INITIATIVES

The following is a review of performance against the Major Initiatives set in the 2016/17 Budget.

BUDGET INITIATIVE	PROGRESS
Developing Structure Plans for the key townships of Kilmore, Wandong, Heathcote Junction, Wallan South, Beveridge and Donnybrook and in the implementation of the Seymour Structure Plan.	<p>Township Structure Plans for Kilmore and Wandong/Heathcote Junction were adopted by Council in 2016. These plans are now required to be implemented. The community will have the opportunity to review the draft Seymour Structure Plan in 2017.</p> <p>The Broadford Township Structure Plan is now partly funded, with work to commence on this important plan in the 2017/18 financial year.</p> <p>The Wallan South and Beveridge North West PSPs are located within the Urban Growth Boundary. The Planning Authority for PSPs is the Victorian Planning Authority. Based on their current work program, the Beveridge North West PSP is further advanced than the Wallan South PSP. It is likely the Beveridge North West PSP will be finalised late next year with land likely to be rezoned early 2019 while the Wallan South PSP will likely be completed late 2019/early 2020.</p>
Sealed and Gravel Road re-sheeting.	See Council Plan Action update (page 48).
Mandalay Community Centre.	See Council Plan Action update re: Greater Beveridge Community Hub (page 47).

SERVICE PERFORMANCE INDICATORS

The following statement provides the results of the prescribed Service Performance Indicators and measures in the Local Government Performance Reporting Framework.

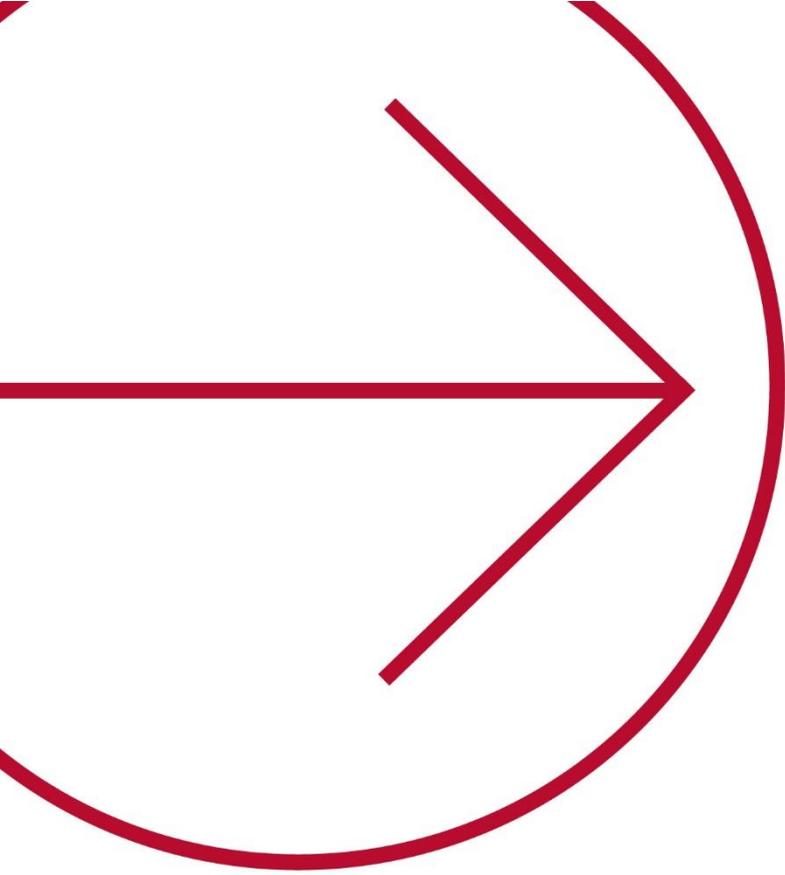
Service/indicator/measure	2014/15 Result	2015/16 Result	2016/17 Result	Comments
Roads				
Satisfaction of use				
<i>Sealed local road requests</i>	23.40	16.62	28.81	Prolonged periods of rainfall in September and October 2016 resulted in a sharp increase in road maintenance requests. This led to an overall increase in the number of sealed road requests for the 2016/17 period after a reduction in 2015/16.
[Number of sealed local road requests / Kilometres of sealed local roads] x100				
Condition				
<i>Sealed local roads below the intervention level</i>	93.62%	94.16 ² %	94.05%	Every 3-4 years condition audits are conducted on the sealed road network. This data is used to measure the remaining serviceable life left in a road. A new audit is due to be completed during the 2017/18 financial year. When compared to 2015/16, this result indicates a slight increase in the number of roads that require renewal works to ensure they remain serviceable.
[Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads] x100				
Service cost				
<i>Cost of sealed local road reconstruction</i>	\$50.04	\$120.08	\$95.23	A total of 4,453m ² of sealed road pavement was reconstructed in 2016/17. Unit costs to re-construct sealed roads during 2016/17 are within acceptable limits and represent value for money. Lower unit rates compared to the previous year are attributed to favourable rates obtained on our largest reconstruction project at Queen Street in Wallan.
[Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]				

² This result was corrected after production of the Annual Report and in time for publication on the Know Your Council Website. The original result of 58.68% was incorrect due to a calculation error (numerator included kerb and channel kilometres and denominator did not – kerb and channel should not have been included)

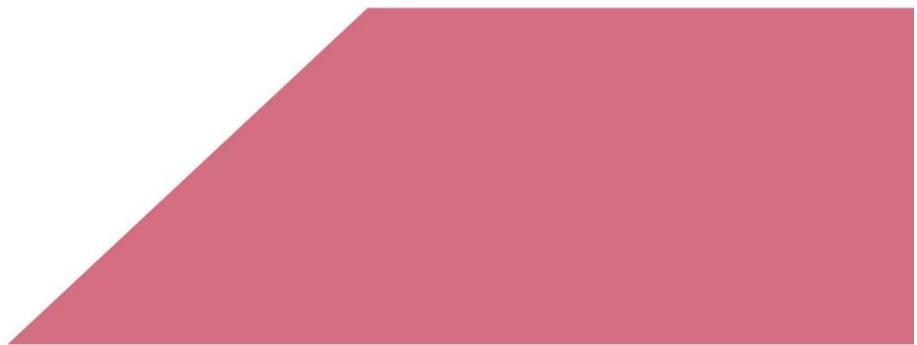
<i>Service/indicator/measure</i>	2014/15 Result	2015/16 Result	2016/17 Result	Comments
Service Cost				
<i>Cost of sealed local road resealing</i>	\$84.61	\$37.94	\$16.87	A total of 9,367m ² of sealed roads were resealed in 2016/17. Costs to reseat roads during 2016/17 are considered to be within acceptable limits and represent value for money. Lower unit rates compared to the previous year are attributed to favourable rates obtained on our largest reseat project at Rail Street in Wandong.
[Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]				
Satisfaction				
<i>Satisfaction with sealed local roads</i>	43	37	38	Councillors and staff have worked to turn these results around after last year's significant decline when the survey coincided with Council's rate capping survey. Council has actively listened to ensure that we acknowledge the concerns and aspirations of our community and will work towards improving our performance into the future.
[Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]				

Service/indicator/measure	2014/15 Result	2015/16 Result	2016/17 Result	Comments
Statutory Planning				
<i>Timeliness</i>				
<i>Time taken to decide planning applications</i>	85	84	86	Council made 309 planning application decisions in the reporting period with a median of 86 gross days.
[The median number of days between receipt of a planning application and a decision on the application]				Gross days is the total number of days an application is with Council from the date of lodgement to the date of a decision. Unlike "statutory days" prescribed by planning legislation, gross days includes the period when Council waits for further information from permit applicants if additional information is required. Therefore, the number of gross days taken to determine an application is typically greater than statutory days in cases when further information is required.
<i>Planning applications decided within 60 days</i>	71.96%	82.94%	76.05%	Of the 309 planning application decisions made, 231 applications were decided within 60 statutory days, and 4 VicSmart applications within 10 days.
[Number of planning application decisions made within 60 days / Number of planning application decisions made] x100				Statutory days relates to set timeframes identified by planning legislation during the planning application process. This includes a time period of 60 days which enables a permit applicant to lodge an application for review at the Victorian Civil and Administrative Tribunal (VCAT) if Council exceeds this time period.
				Statutory days do not include the days when Council waits for further information from an applicant.

<i>Service/indicator/measure</i>	2014/15 Result	2015/16 Result	2016/17 Result	Comments
Service cost				
<i>Cost of statutory planning Service</i>	\$1,774.66	\$2,237.63	\$2,292.33	The cost per application for the service has increased slightly as a result of staffing expenses and additional land valuations.
[Direct cost of the statutory planning service / Number of planning applications received]				
Decision making				
<i>Council planning decisions upheld at VCAT</i>	44.44%	50.00%	100.00%	In 2015/16 2 of 4 decisions were upheld at VCAT and in 2016/17, 2 of 2 decisions were upheld. Any change in the results of such a small number of decisions has a significant impact on our % result.
[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				



HEALTHY AND VIBRANT COMMUNITIES



STRATEGIC OBJECTIVE 2: HEALTHY AND VIBRANT COMMUNITIES

Delivering and providing support to programs and services that build vibrant and healthy communities where people are proud to live.

To achieve our objective of healthy and vibrant communities we will:

- > Enhance Council infrastructure to foster healthy and vibrant communities
- > Undertake service improvements to ensure programs and activities promote community connectedness and wellbeing
- > Support initiatives that foster cultural inclusion and celebrate diversity
- > Promote and support volunteers and community leadership
- > Promote opportunities to support active and involved communities
- > Continue to build strong partnerships with committees of management, health and community service providers
- > Actively engage with our communities to improve collaboration and consultation outcomes.

CONTEXT

Council provides a broad range of facilities, amenities, open space activities and events that encourage community participation and cater for a wide variety of community interests and needs.

Studies have shown that this contributes to individual health and wellbeing, as well as fostering community connectedness and resilience.

Council also delivers a range of important community services, which cover the entire lifespan such as maternal and child health programs, youth programs and aged care service planning and disability service planning.

SERVICES FUNDED

The following statement provides information in relation to the services funded in the 2016/17 Budget and the people or sections of the community that the services are provided for.

Early years services are provided for families and young children. Aged and disability support is provided for older people and people with a disability as well as service providers. Arts, culture, leisure, library and community development services are provided for the whole community.

SERVICE	DESCRIPTION
Arts and Culture	This service undertakes planning and community engagement to encourage community members to access and partake in arts and culture opportunities across the Shire, including public art, community events and activities.
Children's Services	This service is responsible for the management of eight licensed kindergartens, providing high quality education that enhances the health and wellbeing of children and families within the community.
Community Compliance	This service is an educational and enforcement team responsible for animal management, parking management, asset protection, Local Laws and the fire prevention program across the Shire.
Community Development, Aged Care Service Planning and Disability Service Planning	This service works in partnership with residents, community groups, organisations and government agencies to build an active, vibrant, healthy and socially connected community. This is achieved through targeted program and service delivery, social planning and policy.
Customer and Library Services	This service provides four integrated customer service and library centres. It also provides outreach services to aged facilities, people who are house-bound, and schools, as well as children's and youth activities. The Kilmore Library provides an extended service that includes VicRoads, V/Line and the sale of mining licenses.
Leisure Services	This service provides five leisure facilities including three outdoor seasonal pools and two indoor aquatic and fitness centres. This service also offers programs and services outside these facilities including the Wallan Multi-Purpose Community Centre and the Broadford Stadium.

SERVICE	DESCRIPTION
Public Health	<p>This service incorporates Maternal and Child Health (MCH), Immunisations and Environmental Health. It provides seven MCH Centres and delivers the schedule of contacts and activities prescribed by the Department of Education and Early Childhood Development for all families. These services have an emphasis on prevention, health promotion, early detection, and intervention as required.</p> <p>The childhood immunisation program is provided as prescribed in the National Immunisation Schedule. It is delivered at a range of public sessions, to staff from various organisations through the flu vaccination program and directly to schools.</p> <p>Environmental Health provides a range of education, registration, inspection and compliance services to protect public health and wellbeing including food premises, hairdressers, tattooists and septic tanks.</p>
Recreation and Open Space	<p>This service, either directly or in partnership with community-based committees, manages recreation and sporting facilities including stadiums, parks, sportsgrounds, open space, skate/BMX parks and playgrounds. The service works with committees, clubs and user groups to provide a diverse range of opportunities for the Mitchell community. The service also undertakes planning for the future recreation and open space needs of the community.</p>
School Crossing Supervisors	<p>This service provides school crossing services across the municipality</p>
Youth Services	<p>This service provides support for young people. Key activities include Youth Council, strategy development and policy formation, community development, referral and social education. Also, participation programs and skills development activities are facilitated via two Youth Centres.</p>

COUNCIL PLAN – FOUR YEAR MEASURES

The following is a review of the fourth and final year's performance against the Measures of Success in the four-year Council Plan.

MEASURE	TARGET	RESULT	
Participation in MCH Service (percentage of children enrolled who participate in the Service)	≥ 90%	76.74%*	✘
Percentage of the population that are active library members	≥ 13%	11.80%*	✘
Utilisation of aquatic facilities (number of visits to aquatic facilities per head of municipal population)	≥ 5.3	5.81*	✓
Food Safety Assessments (percentage of registered class 1 food premises and class 2 food premises that receive and annual food safety assessment)	Class 1 100% Class 2 70%	100%* 100%*	✓
Delivery of All Abilities Access Works Program	100%	No DDA projects for the reporting period	
Delivery of Municipal Youth Strategy	70% of actions delivered in Years 2-4	Delivered	✓

*LGPRF result

COUNCIL PLAN – ANNUAL ACTION PLAN

The following is a review of the progress of the Council Plan 2013-2017 Annual Action Plan 2016/17.

COUNCIL PLAN INITIATIVES	PROGRESS
Implement Year 4 of the Mitchell Open Space Strategy 2013-23 priorities and actions by specified timeframes in accordance with the approved budget.	<p>The 2016/17 Action Plan included 29 actions:</p> <p>16 (55%) were delivered within planned timeframes. Four of these were facility improvement works – Greenhill Pavilion extension, Wallan Bowls green, Hadfield Play Space, Harley Hammond oval renovation. One was a capital acquisition project (Wallan land).</p> <p>One (3%) was delivered later than planned – user agreement templates and terms and conditions of use for use of facilities.</p> <p>Nine (31%) are work in progress. Two could not commence until external funding was confirmed – Kings Park netball amenities and Kings Park second court and lighting. Greenhill Master Plan, was deferred pending Wallan land acquisition but has now been externally funded and will cover the larger area. The Wallan to Heathcote Rail Trail Feasibility Study was delayed due to Council elections. Govett Street, Broadford Play Space is 80% complete.</p> <p>A Contributions Policy is dependent on the finalisation of a Community Facilities Occupancy Policy (previously referred to as Leases and Licences Policy), which has been delayed.</p> <p>Research on girls and women in sport and physical activity has been undertaken but is yet to be reported to Council.</p> <p>The finalisation of the Committees of Management (CoM) Operations Manual has been delayed pending resolution of the CoM/FASA framework.</p> <p>Three (10%) have commenced but have been deferred.</p> <p>Improvements to recreation and open space website information has been delayed due to website technical difficulties.</p>

COUNCIL PLAN INITIATIVES**PROGRESS**

Implement Year 3 of the Mitchell Aquatic Strategy 2014-24 priorities and actions by specified timeframes in accordance with the approved budget.

A carry over action from 2015/16 resulted in the successful development of the Community Bank® Adventure Playground in Hadfield Park, Wallan. The unique design incorporated an 8m playground tower, a range of ground level play features and a seasonal splash-park component. The project was jointly funded by the State Government, Bendigo Community Bank® and Mitchell Shire Council at a total cost of \$2 million. Construction commenced in April 2016 and the Playground opened to the public on 23 December 2016 in time for the summer school holiday patronage. In addition to the unique all accessible design features, the other key element is entry to the playground/splash-park is free. This resulted in a daily average of 250+ visitors with weekends and days of extreme temperature exceeding 450 visitors on these days. An enormous success, when compared to average daily visitation of 30 visitors at the three Mitchell outdoor pools.

There was only one action highlighted in the Aquatic Strategy for 2016/17 that being the installation of water play facilities at the Broadford Outdoor Pool (BOP) at a cost of \$300,000. This was deferred in light of the Wallan Adventure Playground project, and BOP allocated financial resources were focussed on maintaining existing building and plant infrastructure.

Deliver the replacement of library books program.

\$150K capital program was fully expended. This financial year Council leveraged off industry data around general trends, as well as local lending patterns to inform a more strategic purchasing program.

Implement Year 3 of the Mitchell Learning and Library 2014-24 priorities and actions by specified timeframes in accordance with the approved budget.

Completed all actions for year 3 including:

- > Incorporated library design into Greater Beveridge Community Centre
- > Completed Wallan youth area
- > More flexible spaces in Seymour Library
- > More living room feel general seating, more desk spaces in Broadford Library

COUNCIL PLAN INITIATIVES**PROGRESS**

Implement the Mitchell Shire Council Volunteer Framework.

Mitchell Shire Council values the enormous contribution that volunteers make to the community. We have many dedicated volunteers providing their valuable time, expertise and skills including Visitor Information Centre volunteers, committees of management, advisory committees, National Tree Day volunteers, Youth Council volunteers, FreeZa Committee volunteers, kindergarten volunteers, and library volunteers.

The Volunteer Framework is currently in draft form with final changes being made. It is expected to be taken to Council for full endorsement in September 2017.

In July 2016, the Volunteer Website was launched. In the first 12 months, there have been a total of 973 users with 6,155 pageviews, and there are 115 active users currently registered. Since its inception there have been 46 opportunities offered on the portal.

Undertake the annual review of the Domestic Animal Management Plan as well as investigate and implement annual actions.

The Domestic Animal Management Plan was reviewed and annual actions were implemented driven by community interest and feedback.

In particular, additional work was undertaken this year to improve the Council's pound facility for animals in Council's care, and for staff safety as well.

Progress has been made improving reclaim rates, including return home rates, reducing the intake of dogs and cats into the pound and returning them home to their owners. Rates increased for reclaims in dogs from 77% to 79% in the 2016/17 period and for cats reclaim rates also improved rising from 9% to 12% in the 16/17 period.

Council also held the annual Pet Expo, micro-chipping days and provided the Animals of Mitchell Shire Facebook page to assist with responsible pet ownership education and re-uniting lost animals with their owners.

The review of registration fees has been a successful initiative for the community with many pet owners updating their information with Council and benefiting from newly introduced reduced registration rates, and also acknowledging pet owners who invest in their pets for the benefit of the community. Whilst 74 fewer dogs were impounded for the second year in a row during 2016/17, the number of cats impounded increased by 43. That being said, dog reclaims improved from 77% in the 2015/16 period to 79% in the 2016/17 period and cat reclaims also improved from 9% for the 2015/16 year to 12% for the 2016/17 period.

COUNCIL PLAN INITIATIVES**PROGRESS**

Deliver the Harley Hammond Oval Renovation (Stage 2).

This project saw the complete renovation of the oval, including new turf cricket pitch table, automatic irrigation, drainage, shaping and establishment of turf. Provision of underground conduit for cabling to support future sports lighting upgrade. Despite some early challenges due to extended and very wet weather, the oval was operational for the winter sports season as planned.

Deliver the Greenhill football/netball pavilion upgrade to support female participation.

This project was completed. Extension to the lower ground pavilion to cater primarily for female sports participation in netball, Australian football and cricket by providing female friendly changerooms and new, independently accessible, public toilets.

Improvements were also made to site drainage and safety and the old section of the building was refreshed.

Construct the Kings Park netball change room facility and second netball court.

The change room facility project will provide female friendly changerooms, umpires/game day rooms, first aid facilities and accessible public toilets to serve participants and spectators at the outdoor netball courts. The new facilities will also assist in the activation of the indoor Exhibition Building. The project was dependent on success in obtaining \$100K external grant funding contribution which was announced in December 2016, however a change in project scope due to Netball Victoria introducing new guidelines for facilities has seen the design reviewed and agreed on by all stakeholders and an additional \$115K of Council funds were committed in the 2017/18 budget. Construction project being tendered July 2017 with delivery of new facility planned for May 2018.

Kings Park is now the main netball activity site in Seymour. The existing single court cannot meet usage demand from the three football netball clubs and local netball association which use the site. The project was dependent on success in obtaining \$85.5K external grant funding contribution which was announced in June 2017. The final design has been developed and the delivery of the new facility is planned for late January 2018.

COUNCIL PLAN INITIATIVES**PROGRESS**

Complete the Early Learning Facility at Wallan Primary School - construction of a two room Early Learning Facility in Wallan.

Wallan Family and Children's Centre commenced operations on 31 January 2017 after the successful transition of Kindergarten programs and Maternal and Child Health services onto the new site. Council are working to develop a Hub model with external providers.

The Bridge Youth Services has commenced using the space with planning with Scope and Family Care to further develop an integrated model.

Implement revised funding and service agreements with Committees of Management.

The Committees of Management (CoM) Review made many recommendations which are being progressively implemented.

Revised Funding and Service Agreements (FASA), Model Rules for associations and Committees of Management Operations Manual were developed and distributed to stakeholders for consultation and feedback. Two forums were conducted with CoM representatives and Council officers attended meetings with most Committees of Management to discuss and seek feedback.

Consultation period was extended. The feedback was clear that the CoMs wanted a simpler Funding and Service Agreement. Also, legal advice, from a property management specialist, recommended that the single FASA become two separate documents – one a Funding and Service Agreement, the other an occupancy licence agreement. CoMs are currently operating under the overholding provisions of their previous FASAs.

One of the issues identified in the Review was that most CoMs did not have appropriate insurance cover, particularly for their officers and volunteers. Umbrella insurance has been sourced by Council as an option for CoMs and 14 of the 16 have elected to take up the option, resulting in appropriate cover and at a reduced cost for most. An insurance/risk management forum, led by the insurance broker, was held for CoMs to develop their understandings and provide the opportunity for them to seek clarification.

Plan for emerging and existing communities by developing and enforcing the Municipal Public Health & Wellbeing Plan and delivering complimentary Strategic Plans - working with our diverse communities to build a great quality of life.

Municipal Public Health and Wellbeing Plan has been completed to final draft format. Currently out for final community consultation with full endorsement of the plan by Council scheduled for August 2017.

Social Justice Framework has commenced and the draft is due for presentation to Council in August 2017.

Life Stages Plan has commenced and the draft is due for draft presentation to Council in September 2017.

MAJOR BUDGET INITIATIVES

The following is a review of performance against the Major Initiatives set in the 2016/17 Budget.

BUDGET INITIATIVE	PROGRESS
Construction of a two room Early Learning Facility in Wallan.	See Council Plan Action update (page 632).
Replacement of Library books.	See Council Plan Action update (page 60).
Harley Hammond Oval Renovation - Stage 2.	See Council Plan Action update (page 62).
Greenhill football/netball pavilion upgrade/improvements to support female participation.	See Council Plan Action update (page 62).
Kings Park netball change room facility and second netball court construction.	See Council Plan Action update (page 62).

SERVICE PERFORMANCE INDICATORS

The following statement provides the results of the prescribed Service Performance Indicators and measures in the Local Government Performance Reporting Framework.

<i>Service/indicator/measure</i>	2014/15 Result	2015/16 Result	2016/17 Result	Comments
Animal Management				
<i>Timeliness</i>				
<i>Time taken to action animal management requests</i>	N/A	2.99	2.28	Council received 1,717 animal management requests in 2016/17 financial year. Despite an increase of 38 requests in the reporting period, and staffing constraints due to leave and fire prevention activities, by continuing to improve our processes and utilising available technology, officers' ability to stay connected while out in the field has seen a further improvement on our 2015/16 result.
[Number of days between receipt and first response action for all animal management requests / Number of animal management requests]				
<i>Service standard</i>				
<i>Animals reclaimed</i>	61.73%	55.04%	53.61%	668 animals have been reclaimed from 1,246 collected in 2016/17 financial year. This is a slight reduction in reclamations compared to last financial year, however we also saw the highest number of dogs impounded and also the highest number of dogs microchipped. Cats are frequently impounded with very low microchipping rates at only 11%-15% for 2016/17 financial year compared to dogs (between 82% and 87% for the same period).
[Number of animals reclaimed / Number of animals collected] x100				
<i>Service cost</i>				
<i>Cost of animal management service</i>	\$44.23	\$50.24	\$51.30	The cost of our animal management service has increased slightly during 2016/17 due to greater vet bills, cost of food and daily care of animals.
[Direct cost of the animal management service / Number of registered animals]				

<i>Service/indicator measure</i>	2014/15 Result	2015/16 Result	2016/17 Result	Comments
Animal Management				
<i>Health and safety</i>				
<i>Animal management prosecutions</i>	10	19	14	It is difficult to anticipate the volume of prosecutions each year, however Council maintains a 100% success rate. Due to the nature of our processes and investigation procedures, all matters are examined for quality of evidence before preparing for Court resulting in all prosecutions for animal management issues being successful. This then translates to minimal waste of resources and good quality investigations.
[Number of successful animal management prosecutions]				

<i>Service/indicator measure</i>	<i>2014/15 Result</i>	<i>2015/16 Result</i>	<i>2016/17 Result</i>	<i>Comments</i>
Aquatic Facilities				
Satisfaction				
<i>User satisfaction with aquatic facilities (optional)</i>	No data	No data	No data	This is an optional measure. No data.
[User satisfaction with how council has performed on provision of aquatic facilities]				
Service standard				
<i>Health inspections of aquatic facilities</i>	1	1	1	There were five routine health inspections during 2016/17 - one regular water quality test for each of our aquatic facilities.
[Number of authorised officer inspections of Council aquatic facilities / Number of Council aquatic facilities]				
Health and Safety				
<i>Reportable safety incidents at aquatic facilities</i>	1	0	1	There was one reportable safety incident across our 5 aquatic facilities during the period. This was required by Worksafe due to an ensuing hospital stay, however there was no recall action due to the member having a pre-existing condition. The training and fast action of our staff prevented this incident from being fatal. Safety remains a key focus at all of our aquatic facilities for staff and facility users.
[Number of WorkSafe reportable aquatic facility safety incidents]				
Service cost				
<i>Cost of indoor aquatic facilities</i>	\$8.38	\$7.25	\$4.63	The cost of indoor aquatic facilities has significantly reduced due the implementation of a restructure, significant business review refinements/expenditure savings and increased revenue from the learn to swim program and health club memberships.
[Direct cost of indoor aquatic facilities less income received / Number of visits to indoor aquatic facilities]				
Service Cost				
<i>Cost of outdoor aquatic facilities</i>	\$18.14	\$17.21	\$22.60	The cost of outdoor aquatic facilities has increased in the past year as a result of the cooler summer season and reduced attendance.
[Direct cost of outdoor aquatic facilities less income received / Number of visits to outdoor aquatic facilities]				

<i>Service/indicator measure</i>	2014/15 Result	2015/16 Result	2016/17 Result	Comments
Aquatic Facilities				
<i>Utilisation</i>				
<i>Utilisation of aquatic facilities</i>	5.55	6.46 ³	5.81	Attendance at our outdoor pools reduced in 2016/17 however the introduction of the Community Bank® Adventure Playground and Splash Pad at Hadfield Park in Wallan attracted significant patronage that could not be formerly monitored. Informally the Splash Pad visitation was estimated as being over 20,000 visits compared to almost 12,000 total visits at the three outdoor pools.
[Number of visits to aquatic facilities / Municipal population]				

³ The original result of 6.41 has been updated after the production of the Annual report and corrected on the Know You r Council Website, due to a transposition in the municipal population.

<i>Service/indicator measure</i>	2014/15 Result	2015/16 Result	2016/17 Result	Comments
Food Safety				
Timeliness				
<i>Time taken to action food complaints</i>	N/A	1	1	Our Environmental Health Department action all food complaints within one working day of receipt of a complaint.
[Number of days between receipt and first response action for all food complaints / Number of food complaints]				
Service standard				
<i>Food safety assessments</i>	48.92%	100% ⁴	100.00%	Kernow Environmental Services was contracted to Mitchell in July 2015 to provide Environmental Health Services. Since this time, Mitchell Shire Council has completed 100% of all food assessments for each calendar years.
[Number of registered class 1 food premises and class 2 food premises that receive an annual food safety assessment in accordance with the Food Act 1984 / Number of registered class 1 food premises and class 2 food premises that require an annual food safety assessment in accordance with the Food Act 1984] x100				
Service cost				
<i>Cost of food safety service</i>	\$521.06	\$795.21	\$463.69	Kernow Environmental Services was contracted to Mitchell in July 2015 to provide Environmental Health Services. Start-up costs associated with managing the back-log of work, and an increase in productivity (as evidenced in the number of food safety assessments and the follow-up of major and critical non-compliance notifications) impacted our initial cost. However, the ongoing cost for service has returned to an anticipated level more closely in line with similar councils.
[Direct cost of the food safety service / Number of food premises registered or notified in accordance with the Food Act 1984]				

⁴ Our previous year's result of 70.05% has been corrected to include assessments completed by Council and Kernow, where previously, the result reflected Kernow only.

<i>Service/indicator measure</i>	2014/15 Result	2015/16 Result	2016/17 Result	Comments
Food Safety				
<i>Health and safety</i>				
<i>Critical and major non-compliance outcome notifications</i>	19.83%	100.00%	100.00%	Kernow Environmental Services was contracted by Council in July 2015 and has consistently achieved a result of 100% for all reporting periods.
<p>[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</p>				

<i>Service/indicator/measure</i>	2014/15 Result	2015/16 Result	2016/17 Result	Comments
Libraries				
<i>Utilisation</i>				
<i>Library collection usage</i>	3.10	2.78	2.57	Mitchell Shire Library Service collection comprises of a broad range of books, audio books, magazines and e-resources. Mitchell Shire Libraries have a total of 59,985 items in our collection with 153,884 loans during the past financial year. With an 8% decrease in the borrowing of physical items and a 29% increase in borrowing of e-resources, we are now seeing the changing landscape of our library service.
[Number of library collection item loans / Number of library collection items]				Patrons are now demanding increased access to services such as public computers and free Wifi; and that meeting rooms and multipurpose spaces be made available for community use. Due to patron demand, we have committed to increasing our e-resource catalogue. Also, our physical collection will see a greater emphasis on our special needs literature, as well as providing for the acquisition of a broader range of culturally diverse materials in the 2017/18 collection.
Resource standard				
<i>Standard of library collection</i>	49.72%	53.86%	53.77%	Mitchell Shire Libraries continue to commit to a modern and relevant library collection which reflects our community's expectations to access current and high-quality material and resources.
[Number of library collection items purchased in the last 5 years / Number of library collection items] x100				With the available budget, robust outsourcing of a shelf-ready items and obtaining the most competitive pricing for the purchasing of resources, we have been successful in sustaining the standard of the collection at an acceptable level. Our continued commitment to increase our digital items including e-audio, e-magazines and e-books has seen an increase of approximately 680 e-resources added to our collection.

<i>Service/indicator measure</i>	2014/15 Result	2015/16 Result	2016/17 Result	Comments
Libraries				
<i>Service cost</i>				
<i>Cost of library service</i>	\$7.42	\$5.42	\$5.12	Mitchell Shire has provided four static libraries in the main town centres of Wallan, Kilmore, Broadford and Seymour during 2016-17. These libraries service our population of 40,595. Our libraries had 192,240 visitors during the reporting period compared with 191,191 in the previous period.
[Direct cost of the library service / Number of visits]				
<i>Participation</i>				
<i>Active library members</i>	15.00%	12.65% ⁵	11.80%	The Mitchell Shire Library Service had 4,789 active library members (borrow and renew) from the library collection during 2016/17 financial year. It is pleasing to note that the number of active library users has remained steady this reporting period. The traditional role of libraries in our community is changing at a rapid rate.
[Number of active library members / Municipal population] x100				
				The typical lending-culture at our libraries is now experiencing higher levels of library visitation but with decreased borrowing. This highlights that the library service is still being used, but the way in which it is being used is changing rapidly. The number of active library members is not a full reflection of community participation with our library service.
				Our library and outreach programs are our strategic focus to ensure we remain relevant to the needs of our culturally expanding community. 160 new internal and external library programs have been implemented in 2016/17 financial year contributing to a significant increase in attendance of these programs by 2,783 patrons compared to 2015/16 financial year.

⁵ The original result of 12.57% has been updated after the production of the Annual report and corrected on the Know Your Council Website, due to a transposition error in the municipal population

<i>Service/indicator/measure</i>	2014/15 Result	2015/16 Result	2016/17 Result	Comments
Maternal and Child Health (MCH)				
Satisfaction				
<i>Participation in first MCH home visit</i>	103.20%	105.03% ⁶	100.56%	The Maternal and Child Health Nurses provide a comprehensive and flexible service to ensure all families residing in Mitchell Shire receive an initial home visit within two weeks of birth. 535 home visits were conducted during the 2016/17 reporting period.
[Number of first MCH home visits / Number of birth notifications received] x100				
Service standard				
<i>Infant enrolments in the MCH service</i>	100.00%	100.00% ⁷	101.13%	The Maternal and Child Health Nurses aim to ensure all families residing in Mitchell Shire are enrolled in the universal Maternal and Child Health Service. 538 infants were enrolled during the 2016/17 reporting period, and 532 birth notices received.
[Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received] x100				
Service cost				
<i>Cost of the MCH service</i>	No data	\$74.29 ⁸	\$81.86	In 2016/17 the total number hours worked was 12,085 which equates to a cost per hour of service of \$81.86. We provide a lean and efficient service while meeting the nurse/child ratios of 1:130 as agreed to in the Enterprise Bargaining Agreement.
[Cost of the MCH service / Hours worked by MCH nurses]				

⁶ This result was not available at the time of production of the Annual Report 2015/16 due to software issues with the Child Development Information System (CDIS)

⁷ This result was not available at the time of production of the Annual Report 2015/16 due to software issues with the CDIS system

⁸ Our previous year's result has been corrected from \$33.64 due to an error in calculating the number of hours worked by MCH nurses.

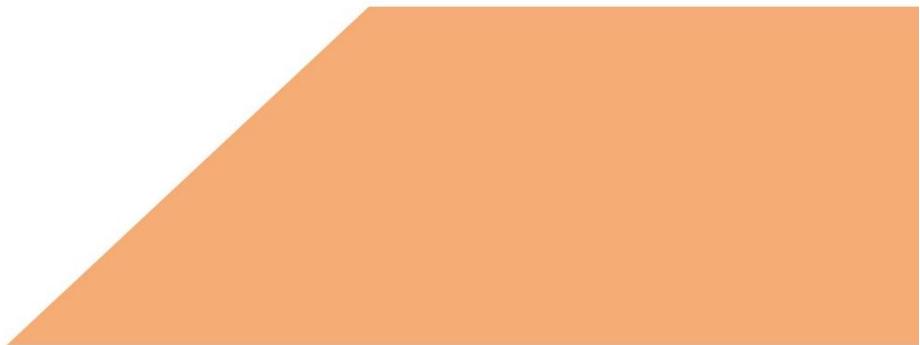
Service/indicator/measure	2014/15 Result	2015/16 Result	2016/17 Result	Comments
Maternal and Child Health (MCH)				
Participation				
<i>Participation in the MCH service</i>	79.17%	79.00% ⁹	76.44%	In the 2016/17 financial year Mitchell Shire received 538 birth notifications, conducted 535 initial home visits and had 1,729 children attend the Maternal and Child Health Service at least once during the 2016/17 reporting period. These figures are slightly less than the previous reporting period.
[Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100				It should be acknowledged that participation in the Maternal and Child Health Service is voluntary for the consumer and some families choose to seek physical and developmental assessments from other service providers such as GPs, paediatricians and Allied Health Services.
Participation				
<i>Participation in the MCH service by Aboriginal children</i>	81.13%	72.78% ¹⁰	74.80%	In the 2016/17 financial year 48 Aboriginal children attended the MCH service at least once in the reporting period and 64 Aboriginal children are enrolled in the MCH service. These figures are slightly less than the previous reporting period.
[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				It should be acknowledged that participation in the Maternal and Child Health Service is voluntary for the consumer and some families choose to seek physical and developmental assessments from other service providers such as GPs, paediatricians and Allied Health Services.

⁹ This result was not available at the time of production of the Annual Report 2015/16 due to software issues with the CDIS system

¹⁰ This result was not available at the time of production of the Annual Report 2015/16 due to software issues with the CDIS system



STRONG REPUTATION AND ECONOMY



STRATEGIC OBJECTIVE 3: STRONG REPUTATION AND ECONOMY

Developing a strong regional reputation and supporting local tourism and economic development opportunities.

To achieve our objective of a strong reputation and economy we will:

- > Promote and support business and employment opportunities
- > Recognise and support Mitchell's diverse industries – equine, agricultural, manufacturing, retail and defence
- > Strongly advocate for the interests of the municipality
- > Support Mitchell's recognition as a tourist destination
- > Develop the Mitchell Economic Development and Tourism Strategy.

CONTEXT

Council will work with major stakeholders including local enterprise, employment, learning and education providers to strengthen and build resilience within the local economy. In our endeavour to create job opportunities and heightened investment prospects, we will take a leadership role to facilitate entrepreneurship and strategic outcomes conducive to a vibrant and prosperous economy servicing the needs of the local population, prospective investors and residents.

Another key role of Council is to advocate to State and Federal government, other authorities, and businesses to ensure positive outcomes for our community. We will continue to advocate for key local priorities such as the provision and improvement of facilities and infrastructure, ensuring adequate service provision and appropriate levels of funding. This is of critical importance given the municipality's projected population growth.

SERVICES FUNDED

The following statement provides information in relation to the services funded in the 2016/17 Budget and the people or sections of the community that the services are provided for.

The services are provided for the whole community with a focus on supporting local businesses and tourism.

SERVICE	DESCRIPTION
Economic Development and Tourism	This service is responsible for ensuring the organisation continues to position the municipality favourably as a tourism destination. It is also responsible for harnessing, encouraging and supporting economic development opportunities that deliver beneficial community outcomes through investment and employment.
Advocacy	This service is responsible for advocacy initiatives across all levels of government.

COUNCIL PLAN – FOUR YEAR MEASURES

The following is a review of the fourth and final year's performance against the Measures of Success in the four-year Council Plan.

MEASURE	TARGET	RESULT	
Community Satisfaction Survey Advocacy Score	> 2011 result of 45	45	✓
Development and delivery of Economic Development Strategy 2015-2020	Plan developed	Plan adopted 20 June 2016	n/a
Percentage of planned Council business development activities delivered	≥ 80%	80%	✓

COUNCIL PLAN – ANNUAL ACTION PLAN

The following is a review of the progress of the Council Plan 2013-2017 Annual Action Plan 2016/17.

COUNCIL PLAN INITIATIVE	PROGRESS
Implement Year 1 of the Mitchell Economic Development Strategy priorities and actions by specified timeframes in accordance with the approved budget.	<p>Work undertaken in year 1 includes:</p> <ul style="list-style-type: none"> > the continuing development and implementation of small and medium enterprise training sessions and a delivery of a new three-part webinar series > the renewal of the Visitor Information Centre in Seymour with internal furnishing upgrades > the re-establishment of active and engaged relations with business networks in the Shire including chambers of commerce > the commencement of the Tourism and Visitor Economy Plan > the commencement of initiatives to leverage economic development from the Broadford Motorcycle Complex > the continued promotion of the Shire as a venue for events, as well as the promotion of the Shire through various events such as Seymour Alternative Farming Expo and via several online and print media publications.

COUNCIL PLAN INITIATIVE**PROGRESS**

In addition to priorities identified in the Economic Development Strategy; Council also worked to assist businesses with their inward investment plans; managed the consultation process for the Wallan to Heathcote Rail Trail; facilitated the review of the Council's event management framework; and coordinated and supported two grant applications that secured over \$4 million in State Government funding to invest in Wallan Town Centre.

Update and implement Council's advocacy framework to positively influence community outcomes.

Advocacy activities continued on roads funding, mobile blackspots, telecommunications and public transport. The Advocacy Framework review delayed due to election of new Council and the need to review Advocacy priorities. Review of the Advocacy Framework is included as a key priority in new Council Plan.

Continue to support regional tourism bodies and activities to maximise opportunities within the visitor economy.

Council continued to provide support to and to participate in the planning, marketing and promotional activities of regional tourism bodies including Daylesford & Macedon Ranges Tourism and Goulburn River Valley Tourism.

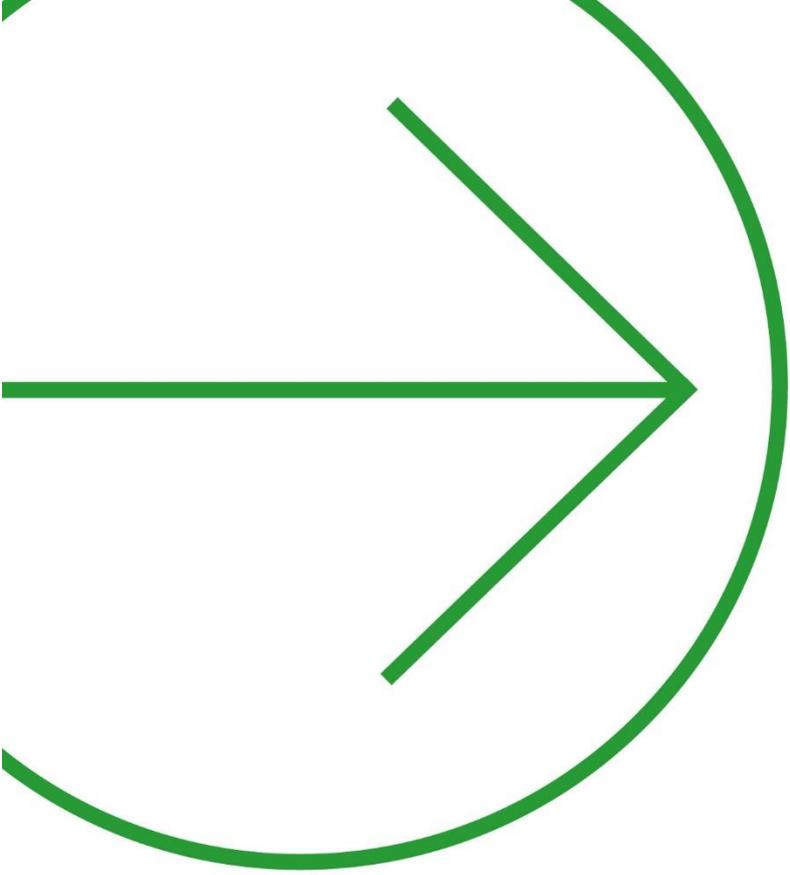
The aim of this work was to maximise opportunities within Mitchell Shire to increase visitation, increase visitor spend and yield, as well as to maximise opportunities to promote the Shire and its visitor economy assets. We commenced the preparation of a Tourism and Visitor Economy Plan that will set a longer term strategic direction for Council's activities in support of the tourism and visitor economy.

MAJOR BUDGET INITIATIVES

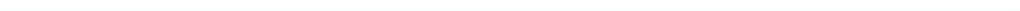
There were no major Budget initiatives

SERVICE PERFORMANCE INDICATORS

There were no prescribed service performance indicators for this area for 2016/17.



ENVIRONMENTAL RESILIENCE



STRATEGIC OBJECTIVE 4: ENVIRONMENTAL RESILIENCE

Responding to changing environmental conditions and protecting our natural environment to ensure long-term sustainability.

To achieve our objective of environmental resilience we will:

- > Provide relief and recovery support to communities during extreme weather events such as fires and floods
- > Work with communities to assist them to plan for emergencies and extreme weather events
- > Improve the sustainability of Council operations
- > Provide efficient and effective waste management
- > Build infrastructure and processes to support community resilience in the face of climate change
- > Encourage environmental best practice.

CONTEXT

Council has an important role to play in environmental management through its controls over strategic land use planning, environmental health, as a land manager and facilitating community environmental education and involvement. We are also committed to integrating smart and sustainable practices into our systems and operations to reduce our future carbon liability as well as energy and water usage and costs.

With an environment that is increasingly subject to climatic extremes, we also work with communities and agencies to prepare and respond to emergency events such as fire and flood.

SERVICES FUNDED

The following statement provides information in relation to the services funded in the 2016/17 Budget and the people or sections of the community that the services are provided for.

These services are provided for the whole community as well as commercial operators and people from outside the municipality who access Council's landfill.

SERVICE	DESCRIPTION
Environmental Sustainability	This service is responsible for conservation and achieving an environmentally healthy and sustainable Council including environmental planning, community planting and encouraging sustainable resource management.
Fire Prevention and Emergency Management	This service is responsible for fire prevention activities and community education as well as emergency management planning including the Municipal Emergency Management Plan and the Seymour Flood Mitigation Project.
Waste Management	This service is responsible for the provision of waste management services at Seymour Landfill plus four resource recovery centres. This service also manages the kerbside waste collection service.

COUNCIL PLAN – FOUR YEAR MEASURES

The following is a review of the fourth and final year's performance against the Measures of Success in the four-year Council Plan.

MEASURE	TARGET	RESULT	
Review of Municipal Emergency Management Plan	Completed annually	Completed	✓
	≥ 200 environmental educational material distributed	339	✓
Environmental Education Programs and activities undertaken	≥ 5 environmental days held	26	✓
	Environmental information provided through five extension mediums	11	✓
Kilometres of roadside weeds controlled	≥ 120km	574km	✓
	≥ 5 reserves treated	39	✓
The condition of native vegetation and habitat on Council Managed land is enhanced	≥ 10 weed species targeted on council owned land	>20	✓
	At least 1000 indigenous plants planted	4000	✓
Kerbside waste diverted from landfill	≥ 34%	33.05%*	✘
Reduction of greenhouse emissions from Council operations on 2009/10 levels	20% reduction by 2020/21	No data available	

*LGPRF result

COUNCIL PLAN – ANNUAL ACTION PLAN

The following is a review of the progress of the Council Plan 2013-2017 Annual Action Plan 2016/17.

COUNCIL PLAN INITIATIVE	PROGRESS
<p>Continue to enhance and improve Council's emergency management capacity by ongoing reviews of the Municipal Emergency Management Plan's (MEMP) sub-plans, Training and Development Plan and Community education and awareness.</p>	<p>Exercises to establish an Emergency Relief Centre undertaken in October/November 2016 for all staff volunteers.</p> <p>Briefing offered to all staff in December 2016 regarding the Relief and Recovery Process.</p> <p>Key personnel have undertaken Emergency Management Liaison Officer (EMLO) training with CFA and Introduction to Emergency Management training with SES.</p> <p>MEMP plans currently under review throughout 2017.</p> <p>Community partnerships developed in Clonbinane, Kilmore and Hidden Valley regarding the development of a place-based emergency plan.</p>
<p>Rehabilitate and cap the closed Seymour Landfill and completion of the capping of cells 1-4 of Mitchell Landfill.</p>	<p>Stage 1 works have been completed. The joint EOI for rehabilitation and capping of the closed Seymour Landfill and Mitchell Landfill (cells 1-4) has been completed and proceeded to tender in January 2017. Tendering processes have been undertaken and a recommendation will be provided to Council in August 2017. The progress on this will allow for works to commence in mid-2017 in accordance with EPA Best Practice guidelines, and will be staged for completion over 2 years.</p>
<p>Implement Year 1 and Year 2 of the Mitchell Waste Management Strategy priorities and actions by specified timeframes in accordance with the approved budget.</p>	<p>There are 38 Actions listed in the Waste Management Strategy for completion in the reporting period. Of these actions, 18 have been completed, 11 are underway or partially completed and 9 actions remain incomplete. An additional focus in the last six months has been on the development of the Regional Waste Management Plan. Officers will review the alignment of the Waste Management Strategy with the Regional Plan objectives in 2017/18.</p>
<p>Complete the Seymour Flood Levee (Stage 2/3) - Stage 2 (Planning Scheme Amendments) and Stage 3 (Land acquisition).</p>	<p>Detailed design works for the Seymour Levee Project commenced in late 2016. Geotechnical testing along the length of the proposed alignment has been completed and preliminary designs plans have been prepared and are currently under review.</p> <p>Detailed design and community consultation will continue into early 2018 with a Planning Scheme Amendments commencing soon after, subject to Council consideration of the detailed design and "next steps".</p>

COUNCIL PLAN INITIATIVE**PROGRESS**

Implement Year 3 of the Mitchell Environment Strategy priorities and actions by specified timeframes in accordance with the approved budget.

Highlights for 2016/17 include:

- > Weed control program completed including 39 reserves and 574km of roadsides treated for weeds.
- > Roadside environmental monitoring program completed including 74 sites.
- > Stage 1 of Roadside weed mapping has been completed covering two thirds of the Shire.
- > Final year of the Say G'day trail rehabilitation project has been completed.
- > National Tree Day 2016 completed with over 4,000 native plants planted on 15 public land sites. More than 730 volunteers were involved.
- > First Mitchell Shire National Tree Day evaluation survey undertaken with 94 surveys completed. 95% of participants stated that they had learnt something from being involved and pleasingly over 95% of the survey respondents indicated that they are more likely to plant native plants at home because of being involved.
- > Grant application successful for works along the Sunday Creek lodged with the Goulburn Broken CMA in partnership with the Broadford Land Management Group, DELWP.
- > Property Management Plan Guidelines reviewed, updated and distributed.
- > 100 new rural landholders supplied with land management information.
- > Mitchell Shire participated for the first time in the Aussie Backyard Bird Watch (117 participants) and Biodiversity Spring, this included the environment and customer service/library teams joining forces to deliver environmentally themed craft sessions and story times on our four libraries. This was value added to via Facebook Posts and promotion via a regional Biodiversity Spring calendar of events.
- > Commenced a new Facebook initiative - Wildflower Wednesday and Flora and Fauna Friday.
- > Launched and hosted the Merri Creek – Wastelands to Parklands exhibition at the Wallan Library.
- > Comments provided on environmental matters on all Structure plans and the Beveridge South PSP.
- > Eight meetings of the Mitchell Environment Advisory Committee.
- > Community Environment Survey Launched.
- > Erosion Control project in Broadford completed.
- > Enhancement works in 12 bush land reserves undertaken.

MAJOR BUDGET INITIATIVES

The following is a review of performance against the Major Initiatives set in the 2016/17 Budget.

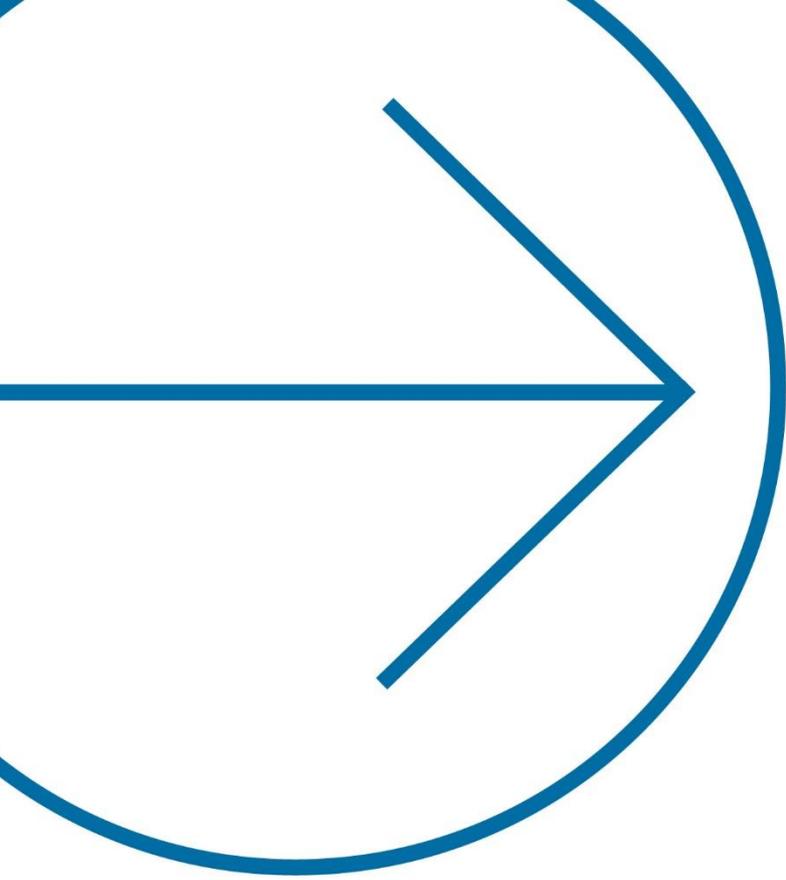
BUDGET INITIATIVE	PROGRESS
Seymour Flood Levee (Stage 2/3) - Stage 2 (Planning Scheme Amendments) and Stage 3 (Land acquisition).	See Council Plan Action update (page 84).
Rehabilitation and capping of closed Seymour Landfill.	See Council Plan Action update (page 84).
Capping of cells 1-4 of Mitchell Landfill.	See Council Plan Action update (page 84).

SERVICE PERFORMANCE INDICATORS

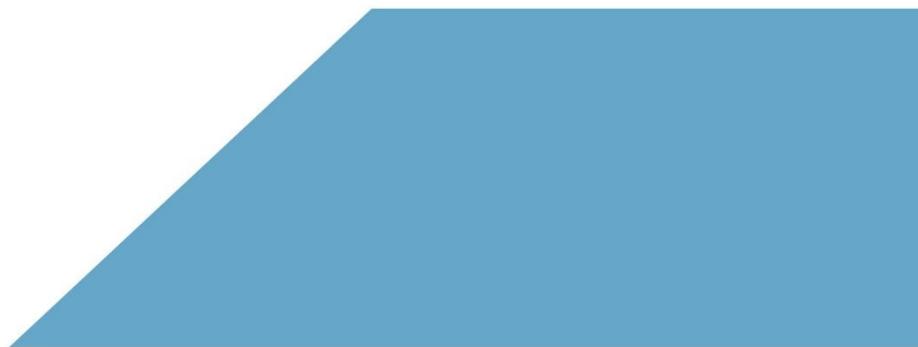
The following statement provides the results of the prescribed Service Performance Indicators and measures in the Local Government Performance Reporting Framework.

<i>Service/indicator/measure</i>	2014/15 Result	2015/16 Result	2016/17 Result	Comments
Waste Collection				
<i>Satisfaction</i>				
<i>Kerbside bin collection requests</i>	126.97	153.57	162.35	The number of kerbside collection requests has increased this financial year compared to 2015/16. More services and improved reporting processes have made it easier for our residents to report additional, uncollected, damaged or stolen bins.
[Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households] x1000				
<i>Service standard</i>				
<i>Kerbside collection bins missed</i>	2.50	3.09	2.65	There was a decrease in the number of missed bins in 2016/17. This is an improvement on 2015/16. Missed bins are largely due to operator error, blocked access, contaminated bins, bins not out in time, bin too heavy or the bin was only half emptied.
[Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts] x10,000				
<i>Service cost</i>				
<i>Cost of kerbside garbage bin collection service</i>	\$55.23	\$53.71	\$57.70	New collection contract commenced in February 2017 and refuse costs increased per service under this contract. In addition, 632 new services have been added in the past financial year.
[Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]				
<i>Service cost</i>				
<i>Cost of kerbside recyclables collection service</i>	\$48.25	\$47.60	\$45.56	A new collection contract commenced in February 2017. Overall costs for recycling kerbside collection reduced per service. Under the previous contract there were differential collection rates for rural and urban and these have both reduced (significantly for rural collections). There were also an additional 540 new services added to the collection contract in the 2016/17 financial year.
[Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins]				

Service/indicator/measure	2014/15 Result	2015/16 Result	2016/17 Result	Comments
<i>Waste diversion</i>				
<i>Kerbside collection waste diverted from landfill</i>	33.34%	33.85%	33.05%	Mitchell Shire Council does not currently have a kerbside green organics collection. The shift is in the proportion of recyclables collected.
[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100				



ORGANISATIONAL CAPACITY AND PERFORMANCE



STRATEGIC OBJECTIVE 6: ORGANISATOINAL CAPACITY AND PERFORMANCE

Excellence and innovative performance underpinned by strong financial governance and responsible financial management.

To achieve our objective of organisational capacity and performance, we will:

- > Improve reporting and accountability
- > Improve organisational systems and processes
- > Plan for the delivery and improvement of high quality, cost effective, accessible and responsive services.

CONTEXT

A key focus for our operations is to ensure that the structures, activities and operations of Council are conducted with probity, transparency and accountability. It is important that the organisation demonstrates leadership by continuously improving the way in which we deliver our services as well as ensuring sound and sustainable financial management.

SERVICES FUNDED

The following statement provides information in relation to the services funded in the 2016/17 Budget and the people or sections of the community that the services are provided for.

The services are provided across the organisation, to Councillors and to the wider community.

SERVICE	DESCRIPTION
Communications and Improvement	This service oversees all public relations activities associated with the organisation. Corporate planning and performance assists with capacity building at an organisational level. Continuous improvement helps facilitate progress and process enhancement.
Councillors and Chief Executive Officer support	This service includes the Mayor, Councillors, and the Chief Executive Officer and associated support which cannot be otherwise attributed to the direct service provision areas.
Finance	This service is responsible for financial services such as financial accounting, management accounting and accounts payable and receivable services. The costs include corporate expenses such as interest on borrowings, bad debt write off and fire services levies charged on Council properties.
Governance	This service ensures that we meet our legislative responsibilities by providing an ethical basis for good governance which facilitates informed and transparent decision making.
Information Services	Information Services provides services concerning the management, maintenance and disposal of all corporate information according to government legislation, Council strategy, policy, established procedures and business rules.
Information Systems	It delivers appropriate and cost-effective technology, which supports Mitchell Shire Council and its employees in delivering services to the community.
People and Culture	People and Culture is responsible for human resources strategy, learning and development, employee relations, human resource services and payroll.
Rates and Revenue	This service is responsible for the rates revenue for the Council and manages the valuation contract, rating system and rates enquires.
Risk and OHS	This service ensures a safe workplace and good risk management processes; and to provide services with a fair and consistent application of legislation and processes to ensure that employees and community enjoy a safe and sustainable environment.

COUNCIL PLAN – FOUR YEAR MEASURES

The following is a review of the fourth and final year's performance against the Measures of Success in the four-year Council Plan.

MEASURE	TARGET	RESULT	
Overall financial sustainability risk rating	Medium risk rating	Medium	✓
Percentage variance in actual 30 June expenditure (operating or capital) versus final endorsed forecast (3rd quarter) expenditure	< 5%	4.1%	✓
Rates outstanding (rates receivables/rates income)	< 10%	9.5%	✓
Staff turnover	< 15% per annum	18.41%*	✗
Councillor attendance at Council meetings (percentage of attendance at ordinary and special council meetings)	> 89%	97.78%*	✓
Customer Service first point of contact resolution for Broadford Customer Service and Call Centre	≥ 55% per annum	85%	✓

*LGPRF result

COUNCIL PLAN – ANNUAL ACTION PLAN

The following is a review of the progress of the Council Plan 2013-2017 Annual Action Plan 2016/17.

COUNCIL PLAN INITIATIVE	PROGRESS
<p>Deliver Statutory Planning and Building Services to agreed performance standards.</p>	<p>Council made 309 planning application decisions in the reporting period with a median of 86 gross days. Gross days is the total number of days an application is with Council from the date of lodgement to the date of a decision.</p> <p>Of the 309 planning application decisions made, 231 applications were decided within 60 statutory days, and 4 VicSmart applications within 10 days. Statutory days relates to set timeframes identified by planning legislation during the planning application process. This includes a time period of 60 days which enables a permit applicant to lodge an application for review at the Victorian Civil and Administrative Tribunal (VCAT) if Council exceeds this time period. Statutory days do not include the days when Council waits for further information from an applicant.</p>
<p>Implement the Year 3 Actions of Council’s Organisational Development Strategy (One Mitchell).</p>	<p>Steering Committee Developed, chaired by Chief Executive Officer, and includes representation from across all Directorates and various organisational Committees. Terms of Reference developed and guiding principles workshopped extensively with leaders and staff.</p> <p>Areas of focus have been defined as Communication, Workloads, Wellbeing, Roles and Responsibilities, and Orientation and Induction.</p> <p>Communication and Workloads workshops completed in September with action plans and working groups established in March 2017.</p> <p>Health and Wellbeing Committee has conducted an ‘all staff’ survey and has implemented several health and wellbeing initiatives.</p> <p>Performance Development process redefined to clarify work-plans and priorities, and provide feedback on performance. Additional components added to evaluate employee satisfaction at Council, satisfaction with Supervisor, and suggestions to make the workplace more enjoyable.</p> <p>Position Description upgrade project undertaken and all Position Descriptions to be reviewed during the annual Performance Development Plan process.</p> <p>First Day Induction and Corporate Bus Tour are being delivered regularly and a “First 90 Days” Induction Guide and Checklist has been developed for all new staff,</p>

COUNCIL PLAN INITIATIVE	PROGRESS
	<p>incorporating 90 Day Checklist (3-month review) and Qualifying Checklist (6-month review).</p> <p>Consolidated and structured in-house corporate training has been launched and is now available to all employees on a fortnightly, month and bi monthly basis.</p>
Prepare a new Four-Year Council Plan for 2017/18 to 2020/21.	Council Plan has been prepared and adopted following an extensive program of community engagement.
Define core services, set service levels and identify surplus assets.	This action is ongoing to operate within the constraints of the State Government imposed rate cap, and to liberate additional funding for capital works. Service levels are being progressively reviewed across Council's service functions and a list of identified surplus assets is being compiled as part of this process.
Deliver the Information Technology Hardware renewal program.	<p>Acquired monitors to resolve performance issues affecting staff using 7yo equipment. Council replaced all aged laptops with new mobile devices, provided our Communications team with high spec mobile devices, replaced aged mobile phones and purchased additional docking stations to support increased mobility for staff.</p> <p>In addition, peripherals for ruggedized devices are on back order for outdoor staff (including GPS on fully functional computers with mobile network reception so that staff can manage assets and records in the field).</p>
Deliver the software and phone system upgrade.	<p>Upgrades completed to the Kilmore, Wallan and Seymour Customer and Library Service centres to connect those sites to the Council Networks.</p> <p>Commenced work on trial of Skype for Business.</p>

MAJOR BUDGET INITIATIVES

The following is a review of performance against the Major Initiatives set in the 2016/17 Budget.

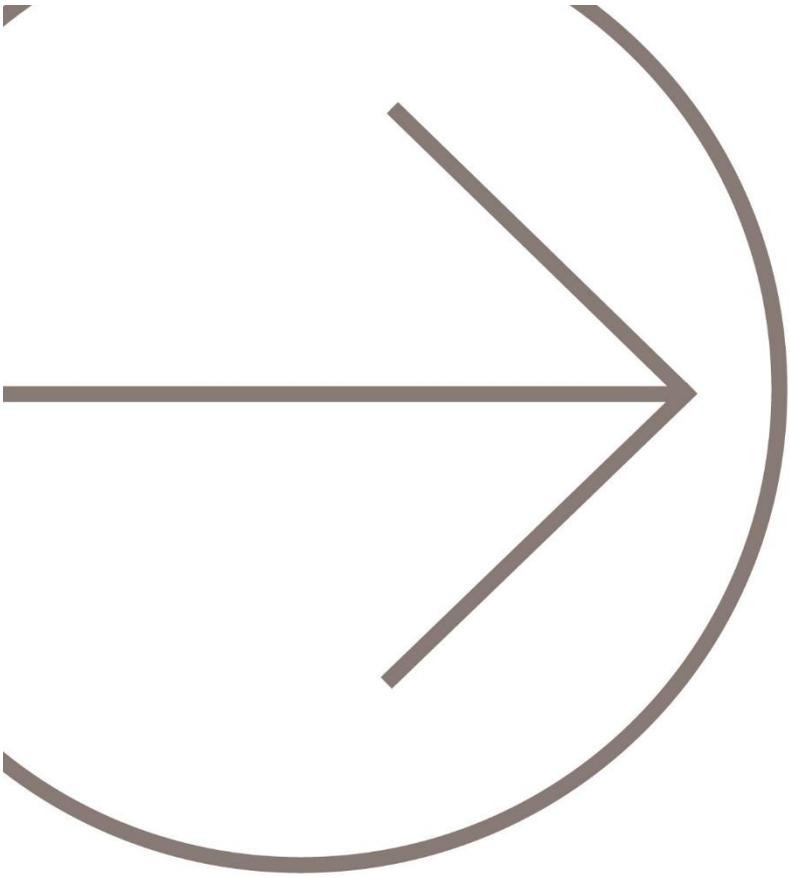
BUDGET INITIATIVE	PROGRESS
Information Technology Hardware renewal.	See Council Plan Action update (see above).
Software and phone system upgrades.	See Council Plan Action update (see above).

SERVICE PERFORMANCE INDICATORS

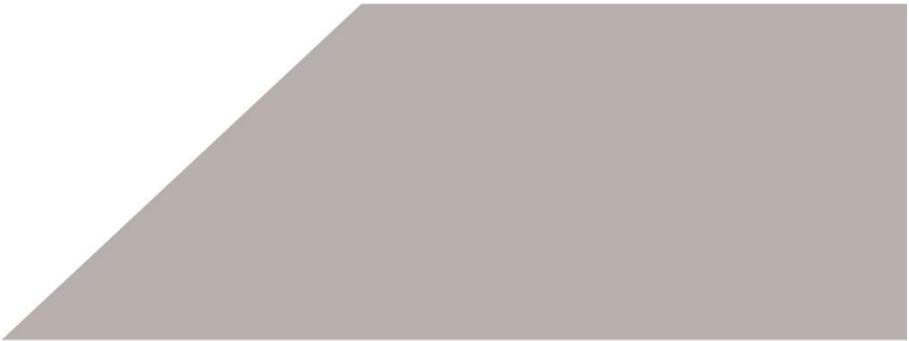
The following statement provides the results of the prescribed Service Performance Indicators and measures in the Local Government Performance Reporting Framework.

<i>Service/indicator/measure</i>	2014/15 Result	2015/16 Result	2016/17 Result	Comments
Governance				
<i>Transparency</i>				
<i>Council decisions made at meetings closed to the public</i>	12.75%	16.43%	16.20%	Of 216 Council resolutions made, 35 were made at meetings closed to the public. Of these, 21 resolutions related to procurement matters, the volume of which is difficult to accurately anticipate.
[Number of Council resolutions made at ordinary or special meetings of Council, or at meetings of a special committee consisting only of Councillors, closed to the public / Number of Council resolutions made at ordinary or special meetings of Council or at meetings of a special committee consisting only of Councillors] x100				
<i>Consultation and engagement</i>				
<i>Satisfaction with community consultation and engagement</i>	53	42	47	Councillors and staff have worked to turn these results around after last year's significant decline when the survey coincided with Council's rate capping survey. Council has actively listened to ensure that we acknowledge the concerns and aspirations of our community and will work towards improving our performance into the future.
Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement				

<i>Service/indicator/measure</i>	2014/15 Result	2015/16 Result	2016/17 Result	Comments
Governance				
<i>Attendance</i>				
<i>Councillor attendance at council meetings</i>	94.10%	94.44%	97.78%	This result has increased from both previous years. A new Council was elected in October 2016.
[The sum of the number of Councillors who attended each ordinary and special Council meeting / (Number of ordinary and special Council meetings) × (Number of Councillors elected at the last Council general election)] x100				
<i>Service cost</i>				
<i>Cost of governance</i>	\$36,735.44	\$44,011.83	\$40,696.94	These costs are per Councillor and are consistent with costs of Councillor allowances, training, attendance at conferences and seminars, IT equipment and other incidentals.
[Direct cost of the governance service / Number of Councillors elected at the last Council general election]				
<i>Satisfaction</i>				
<i>Satisfaction with council decisions</i>	49	41	46	Councillors and staff have worked to turn these results around after last year's significant decline when the survey coincided with Council's rate capping survey. Council has actively listened to ensure that we acknowledge the concerns and aspirations of our community and will work towards improving our performance into the future.
[Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]				



CORPORATE GOVERNANCE



GOVERNANCE

Mitchell Shire Council is constituted under the *Local Government Act 1989* to provide leadership for the good governance of Mitchell Shire and the local community. Council has a number of roles including:

- > Taking into account the diverse needs of the local community in decision-making
- > Providing leadership by establishing strategic objectives and monitoring achievements
- > Ensuring that resources are managed in a responsible and accountable manner
- > Advocating for the interests of the local community to other communities and governments
- > Fostering community cohesion and encouraging active participation in civic life.

Community input is sought on a range of matters in accordance with Council's Engagement Framework and through Advisory Committees.

Council's formal decision-making processes are conducted through Council meetings and special Committees of Council. Council staff also have delegated authority for some decision-making. These delegations are exercised in accordance with adopted Council policies.

COUNCIL MEETINGS

Council decisions are made at scheduled meetings of Council. Meetings are open to the public unless Council resolves to close the meeting to consider confidential matters. Meetings are usually held on the third Monday of each month. There were no scheduled meetings in January. Council can also hold Special Council Meetings as needed.

Council also has a Hearings Committee which meets to hear and report to Council on submissions received under the *Local Government Act 1989* and on objections and submissions received in relation to planning permit applications and strategic planning matters under the *Planning and Environment Act 1987*.

The delegation to the Hearings Committee also provides the opportunity for members of the public to ask questions on issues in which Council has a direct interest or responsibility, and for community organisations to present on matters of interest.

Ordinary Council and Hearings Committee meetings are conducted in accordance with *Local Law No. 1 – Meeting Procedure Local Law 2014*. Reports are prepared independently by officers for both the decision and information of the Council.

Disclosure of interest provisions require a Councillor to disclose any conflicts of interest they have in matters being considered at Council meetings. These provisions also apply to meetings closed to the public. Conflict of interest disclosures are recorded in the meeting minutes.

Meeting Attendance

July – October 2016

There were 4 Council meetings, 1 Special Council meeting, 3 Hearings Committee meetings and 1 Special Hearings Committee meeting for the period in July – October 2016.

Councillor	Council Meeting	Special Council Meeting	Hearings Committee	Special Hearings Committee	Total
Cr Des Callaghan	4	1	3	1	9
Cr Bill Chisholm	4	1	3	0	8
Cr Bob Cornish	4	1	2	1	8
Cr Ross Lee	3	1	3	1	8
Cr Sue Marstaeller	4	1	3	1	9
Cr Bill Melbourne	3	1	3	1	8
Cr Kevin Mulroney	4	1	2	0	7
Cr Rodney Parker	4	1	3	1	9
Cr Rhonda Sanderson	4	1	3	1	9

Notes

- > Councillor Sue Marstaeller was Mayor from October 2015 to October 2016.
- > Councillor Des Callaghan, Cr Ross Lee, Cr Sue Marstaeller were not re-elected at the Council election in October 2016.
- > Councillor Bill Melbourne, Cr Kevin Mulroney and Cr Rodney Parker did not seek re-election in October 2016.

November 2016 – June 2017

There were 7 Council meetings, 3 Special Council meetings, 5 Hearings Committee meetings and 1 Special Hearings Committee meeting for the period in November 2016 – June 2017.

Councillor	Council Meeting	Special Council Meeting	Hearings Committee	Special Hearings Committee	Total
Cr David Atkinson	6	3	5	1	15
Cr Bill Chisholm	7	3	4	1	15
Cr Bob Cornish	7	3	5	1	16
Cr Rob Eldridge	7	3	4	0	14
Cr Bob Humm	7	3	5	1	16
Cr Annie Goble	6	3	5	1	15
Cr David Lowe	7	3	5	1	16
Cr Rhonda Sanderson	7	3	5	1	16
Cr Fiona Stevens	7	3	5	1	16

Notes:

- > Councillor Rhonda Sanderson was elected Mayor in October 2016.
- > Councillor Bill Chisholm, Cr Bob Cornish and Cr Rhonda Sanderson were re-elected in October 2016
- > Councillor David Atkinson, Cr Rob Eldridge, Cr Bob Humm, Cr Annie Goble, Cr David Lowe and Cr Fiona Stevens were elected at the Council election in October 2016.

COUNCILLOR CODE OF CONDUCT

The *Local Government Act 1989* requires every council to adopt a Councillor Code of Conduct. Mitchell Shire Council adopted a revised Councillor Code of Conduct at a Special Council meeting on 2 November 2016 and then again at a Special Council Meeting on 6 February 2017. The Code applies the principles of good governance and accountability and sets agreed standards of behaviour.

CONFLICT OF INTEREST

A conflict of interest occurs when a personal or private interest might compromise the ability to act in the public interest. A conflict of interest exists even if no improper act results from it.

Council has procedures to accommodate disclosure and declarations of a conflict of interest are a standard agenda item for all Council and Committee meetings. If a person has a conflict of interest, they disclose it and step aside from the decision-making process relating to that matter.

A register of declared interests is maintained and the following table provides a summary of the conflict of interest disclosures made by Councillors during 2016/17.

Conflict of Interest	Council Meetings	Hearings Committee
Direct Interest	1	1
Indirect Interest	7	3
Total	8	4

COUNCILLOR ALLOWANCES

In accordance with section 74 of the *Local Government Act 1989*, Councillors are entitled to receive an allowance while performing their duty as a Councillor. The Mayor is also entitled to receive a higher allowance. The State Government sets the upper and lower limits for these allowances based on the income and population of each Council. Mitchell Shire Council is a category two council.

For the period for 1 July to 1 December 2016, the councillor annual allowance for a category 2 council (as defined by the Act) ranged from \$10,033 to \$24,127 per annum, and Mayors up to \$74,655 per annum.

The Minister for Local Government approved an annual adjustment of 2.5 per cent to take effect from 1 December 2016, ranging from at \$10,284-\$24,730 per annum for the Councillor allowance and up to \$76,521 per annum for the Mayoral allowance.

Councillor	Councillor Allowance	Councillor Superannuation	Telecommunication	Councillor Education	Accommodation and Travel	Total
Councillor Term 2012-2016						
Cr Lee	7,394	702	215	1,086	292	9,690
Cr Parker	7,394	702	263	-	-	8,360
Cr Melbourne	7,394	702	140	-	179	8,415
Cr Sanderson	7,394	702	347	55	-	8,498
Cr Chisholm	7,394	702	595	-	850	9,542
Cr Mulronev	7,394	702	201	-	549	8,847
Cr Marstaeller*	22,878	2,173	305	146	1,162	26,665
Cr Cornish	7,394	702	413	-	-	8,509
Cr Callaghan	7,394	702	450	-	-	8,546
Subtotal	82,030	7,793	2,930	1,287	3,032	97,072

Note: All figures have been rounded.

*Cr Sue Marstaellar was Mayor until 21 October 2016. Cr Rhonda Sanderson was elected Mayor on 2 November 2016.

Councillor	Councillor Allowance	Councillor Superannuation	Telecommunication	Councillor Education	Accommodation and Travel	Total
Councillor Term 2016-2020						
Cr Atkinson	16,369	1,555	443	-	-	18,368
Cr Chisholm	16,369	1,555	168	-	654	18,747
Cr Cornish	16,369	1,555	169	-	-	18,093
Cr Eldridge	16,369	1,555	394	-	-	18,318
Cr Goble	16,369	1,555	177	-	-	18,102
Cr Humm	16,369	1,555	572	-	-	18,497
Cr Lowe	16,369	1,555	148	-	2,010	20,083
Cr Sanderson*	50,651	4,812	681	-	452	56,596
Cr Stevens	16,369	1,555	592	-	-	18,516
Subtotal	181,607	17,253	3,344	-	3,116	205,320
Total	263,636	25,045	6,274	1,287	6,148	302,391

Note: All figures have been rounded.

*Cr Sue Marstaellar was Mayor until 21 October 2016. Cr Rhonda Sanderson was elected Mayor on 2 November 2016.

COUNCILLOR EXPENSES AND SUPPORT

Section 75 of the *Local Government Act 1989* also provides for the reimbursement of necessary out of pocket expenses incurred while performing the duties of a Councillor.

Mitchell's Councillor Expense and Support Policy provides for reimbursement of a range of expenses related to approved training, registration fees, conference and functions, travel and child care. The policy also identifies the facilities, services and resources which are made available to Councillors.

A copy of this policy is available for inspection, as required under section 75b of the *Local Government Act 1989* and is available on Council's website.

In line with the policy, support is provided to the Mayor in the form of a Council vehicle, mobile telephone and computer equipment. Mobile telephones and a selection of computer equipment are also made available to all Councillors.

The following tables shows what equipment has been provided to each Councillor and what reimbursements have been provided in 2016-2017.

Councillor	Landline Service	Mobile Phone	Laptop Computer	iPad/tablet	Printer
Cr Des Callaghan		✓		✓	✓
Cr Bill Chisholm		✓	✓		✓
Cr Bob Cornish		✓		✓	✓
Cr Ross Lee				✓	
Cr Sue Marstaeller*		✓		✓	✓
Cr Bill Melbourne	✓	✓		✓	✓
Cr Kevin Mulroney		✓		✓	✓
Cr Rodney Parker		✓		✓	✓
Cr Rhonda		✓		✓	✓
Cr David Atkinson		✓		✓	
Cr Rob Eldridge		✓		✓	✓
Cr Annie Goble		✓		✓	
Cr Bob Humm		✓		✓	
Cr David Lowe		✓		✓	✓
Cr Fiona Stevens		✓		✓	✓

*Cr Sue Marstaellar was Mayor until 21 October 2016. Cr Rhonda Sanderson was elected Mayor on 2 November 2016.

Expense Categories

Councillor Allowances and Superannuation

The Victorian Government sets upper and lower limits for all allowances paid to Councillors and Mayors. Mitchell Shire Council is classified as a category two Council. Allowances are paid in accordance with section 74 of the *Local Government Act 1989*.

Telecommunication

Councillors are supplied with an iPhone, tablet and/or laptop and a dedicated ADSL telephone service and/or 4GB Wireless service to their primary residence. The provision of these telecommunications services are paid for by Council. Any expenses associated above the monthly call and data service is covered by the Councillor.

Councillor Education

This category covers registration fees associated with attendance by Councillors within Victoria at one-off or short-term training, conferences and/or functions held by local government related organisations, professional bodies or institutions.

This category also covers fees associated with specialised group training for elected Councillors.

Accommodation and Travel

This category covers expenses associated with attendance by Councillors within Victoria at approved short-term training, conferences and/or functions. The Councillor Expense and Support Policy provides for the reimbursement of car parking fees, e-tags and use of private vehicles while conducting Council business.

COUNCIL REPRESENTATION

Councillors represent the interests of our community through direct contact with residents, representation on local interest groups and involvement in broader scale agency and government committees. In addition to participation in Council meetings and engagement in direct community and individual consultation, Councillors are appointed to a variety of bodies to represent the various interests of Mitchell Shire Council and its people.

The appointments for 2016/17 are listed in the following tables. Appointments were updated at the Special Council Meeting on 2 November 2016 and then following the Council election at the Council Meeting on 21 November 2016.

Regional, State-Wide and Local Organisations

<i>Organisation</i>	Appointments (at 1 July 2016)	Appointments (at 21 November 2016)
Australian Local Government Women's Association – Victorian Branch	Cr Sanderson	Cr Goble
Goulburn Broken Greenhouse Alliance	Cr Melbourne	Cr Atkinson
Goulburn Valley Regional Waste Management Group	Cr Mulroney	Cr Lowe Cr Humm (Substitute)
Wallan to Heathcote Rail Trail Steering Committee	Cr Sanderson	Cr Atkinson Cr Eldridge
Hume Region Local Government Network	Mayor CEO	Mayor CEO
Interface Council Group	Cr Parker CEO Cr Marstaeller**	Mayor Cr Eldridge CEO
L2P	Cr Callaghan	Cr Stevens
Merri Creek Management Committee Inc.	Cr Mulroney Cr Marstaeller**	Cr Eldridge
Mitchell Health Care Network	Cr Marstaeller Mayor	Mayor Cr Goble
Municipal Association of Victoria	Mayor Deputy Mayor**	Mayor Deputy Mayor**
Municipal Emergency Management Planning Committee	Cr Chisholm	Cr Chisholm
Municipal Fire Management Planning Advisory Group	Cr Marstaeller	Cr Humm
RoadSafe Goulburn Valley Committee	Cr Callaghan Cr Chisholm**	Cr Stevens
Victorian Local Governance Association	Cr Callaghan	Cr Lowe Cr Goble (Substitute)
Melbourne Northern Metropolitan Forum		Mayor Chief Executive Officer

Legend: ** Substitute Representative, CEO – Chief Executive Officer

Incorporated Associations

Central Ward

Organisation	Appointments (at 1 July 2016)	Appointments (at 21 November 2016)
Broadford Land Management Group	Cr Callaghan	Cr Atkinson
Harley Hammond Reserve Committee	Cr Lee	Cr Atkinson
JJ Clancy Reserve Committee	Cr Parker	Cr Humm
Kilmore Soldiers Memorial Hall Inc.	Cr Parker	Cr Humm
Broadford Living & Learning Centre	-	Cr Goble

North Ward

Organisation	Appointments (at 1 July 2016)	Appointments (at 21 November 2016)
Australian Light Horse Memorial Park	Cr Sanderson	Cr Sanderson
Kings Park Recreation Reserve Committee	Cr Sanderson	Cr Sanderson
Pyalong Recreation Reserve Committee	Cr Chisholm	Cr Chisholm
Seymour Bushland Park Committee	Cr Sanderson	Cr Sanderson
Seymour Old Courthouse Committee	Cr Sanderson	Cr Stevens
Seymour Tennis Complex Committee	Cr Melbourne	Cr Stevens
Tallarook Mechanics Institute Committee	Cr Chisholm	Cr Chisholm
Tallarook Recreation Reserve Committee	Cr Melbourne	Cr Stevens
Tooborac Mechanics Hall and Reserve Committee	Cr Chisholm	Cr Chisholm

South Ward

Organisation	Appointments (at 1 July 2016)	Appointments (at 21 November 2016)
Beveridge Recreation Reserve Committee Inc.	Cr Mulroney	Cr Cornish
Greenhill Social Club Inc.	Cr Mulroney	Cr Eldridge
Committee of Management RB Robson Stadium Committee Inc.	Cr Cornish	Cr Cornish
Wandong Sports and Community Inc.	Cr Marstaeller	Cr Eldridge
Wandong Public Hall Inc.	Cr Marstaeller	Cr Lowe

COUNCIL AND ADVISORY COMMITTEES

Council has established three formal Committees to assist the Council in decision making on specific areas of Council's functions and responsibilities.

Depending on their role and the need for delegated powers, these Committees are either special committees or advisory committees as defined in the *Local Government Act 1989*. Each of these Committees has a Charter adopted by Council resolution and their meetings are governed by Council's *Local Law No. 1 – Meeting Procedure Local Law 2014*.

Council Committees

Organisation	Appointments (at 1 July 2016)	Appointments (at 21 November 2016)
Audit (Advisory) Committee	Cr Sanderson Cr Marstaeller	Cr Lowe Cr Atkinson
CEO Performance Review Advisory Committee	Mayor Cr Melbourne Cr Marstaeller	Mayor Cr Chisholm Cr Cornish
Hearings Committee	All Councillors	All Councillors

Advisory Committees

Organisation	Appointments (at 1 July 2016)	Appointments (at 21 November 2016)
Access and Inclusion Advisory Committee	Cr Marstaeller	Cr Goble
Cultural Diversity Advisory Committee	Cr Marstaeller Cr Chisholm	Cr Cornish Cr Goble
Mitchell Environment Advisory Committee	Cr Mulroney	Cr Eldridge
Mitchell Fire Advisory Committee	Cr Marstaeller	Cr Chisholm
Mitchell Heritage Advisory Committee	Cr Lee	Cr Humm
Mitchell Early Years Advisory Committee	-	Cr Stevens Cr Cornish (Substitute)
Youth Strategy Meeting	-	Cr Cornish

AUDITING

AUDIT COMMITTEE

The Audit Committee is an independent advisory committee of Council established under Section 139 of the *Local Government Act 1989*.

The primary objective of Mitchell's Audit Committee is to assist Council in the effective conduct of its responsibilities for managing risk and maintaining a reliable system of internal controls and associated reporting.

The Audit Committee monitors and provides advice to Council on:

- > External financial reporting
- > Internal and external audit
- > Internal control and risk management
- > Compliance and ethics
- > Fraud prevention
- > Good governance.

Membership

The Audit Committee comprises three independent members, one of whom is appointed Chair, and two Councillors. Council members are appointed annually while independent members are appointed through a recruitment process for up to three years.

Councillor Members July – October 2016

- > Cr Rhonda Sanderson
- > Cr Rodney Parker
- > Cr Sue Marstaeller (observer)

Councillor Members November 2016 – 2020

- > Cr David Atkinson
- > Cr David Lowe
- > Cr Rhonda Sanderson (observer)

Independent Members

Michael Ulbrick (Chair)

Michael has held numerous executive positions to the level of Chief Executive within the public and local government sectors and has significant experience working in regional and metropolitan councils. He has been appointed as an independent member to a number of local councils' Audit Committees and holds the position of Commissioner with the Victoria Grants Commission. Michael is a qualified Company Director and holds tertiary qualifications in economics, mathematics, education, accounting and applied information systems.

Theresa Glab

Theresa is the director of a governance, risk and compliance consulting business, sits on public and private sector boards and is currently the independent member for two council Audit Committees. She is an Accountant (CPA) and holds qualifications in economics, banking and finance. She is also a graduate of the Australian Institute of Company Directors. Theresa has a well-developed knowledge of local government, its key operations, quality assurance systems, internal and external audit functions and associated risks.

Bruce Potgieter

Bruce has over 20 years' involvement with local government as auditor and consultant and is currently an independent member of five Audit Committees. Bruce is a Chartered Accountant and was previously Council's Auditor-general's agent. He is a former member of the local government taskforce which developed the model budget for the sector and chaired the Municipal Association of Victoria's Annual Reporting Awards Committee.

Other participants

Council's Chief Executive Officer, Director Governance and Corporate Performance, Manager Finance and Assets, Manager People and Culture and the Internal Auditor (Pitcher Partners) attend all meetings by invitation of the Committee. The External Auditor (DFK Kidsons) attended meetings to present the external audit plan and the statutory audit for the 2016/17 Annual Statements.

Attendance

The Audit Committee met four times during the 2016/17 financial year. The meetings were held on 6 September 2016, 24 November 2016, 23 February 2017 and 18 May 2017.

Council Members	Meetings attended	Independent Members	Meetings attended
Cr Sue Marstaeller	1	Theresa Glab	4
Cr Rodney Parker	1	Bruce Potgieter	4
Cr Rhonda Sanderson	4*	Michael Ulbrick (Chair)	4
Cr David Atkinson	3		
Cr David Lowe	3	*Cr Sanderson's status changed from "member" to "observer" after October 2016	

Internal Audit

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve the operations of Council. A three-year Strategic Internal Audit Plan (SIAP) is revised annually to ensure the audit resources remain focused on the appropriate areas. The review process considers council's risk framework, the council plan, the impact of any change on operations, systems or the business environment; prior audit coverage and outcomes and management input. The SIAP is reviewed and approved by the Audit Committee annually.

This year, Council's internal auditor, conducted comprehensive audits of Maternal and Child Health, Planning and Building Services Compliance and a Tendering and Procurement Review.

External Audit

Council's external auditor is selected by the Victorian Auditor General's Office with DFK Kidsons appointed as Council's external auditor for a five-year period. The Audit Committee reviewed the 2016/17 Financial Report and Performance Statement and also considered responses prepared by management in the annual statutory audit along with monitoring progress of management in implementing agreed actions. During the course of review of annual statements, the Audit Committee is also provided an opportunity to meet with the external auditors without management to discuss any issues of relevance.

RISK MANAGEMENT

RISK FRAMEWORK

Council is committed to pro-active risk management to help provide a safe environment and facilities for the community and for employees. Council manages risk through a framework developed using the International Standard ISO 31000.

RISK AUDIT

Council is regularly audited on many aspects of risk management as part of a wider insurance framework. The audits are scored and benchmarked against other councils and specific regions within the state. The level of performance also has an impact on the premiums for Public Liability, Commercial Crime and Asset Protection.

BUSINESS CONTINUITY PLAN

The Business Continuity Plan forms part of Council's legislative requirements under the *Local Government Act 1989* to provide services that are accessible and responsive to the needs of the community. The plan identifies opportunities to prevent or minimise business disruption and to encourage a culture of resilience and preparedness. An audit of the Business Continuity Plan by the internal auditors identified improvements required to be made to the plan, including a Business Impact Assessment which will be undertaken in 2017/18.

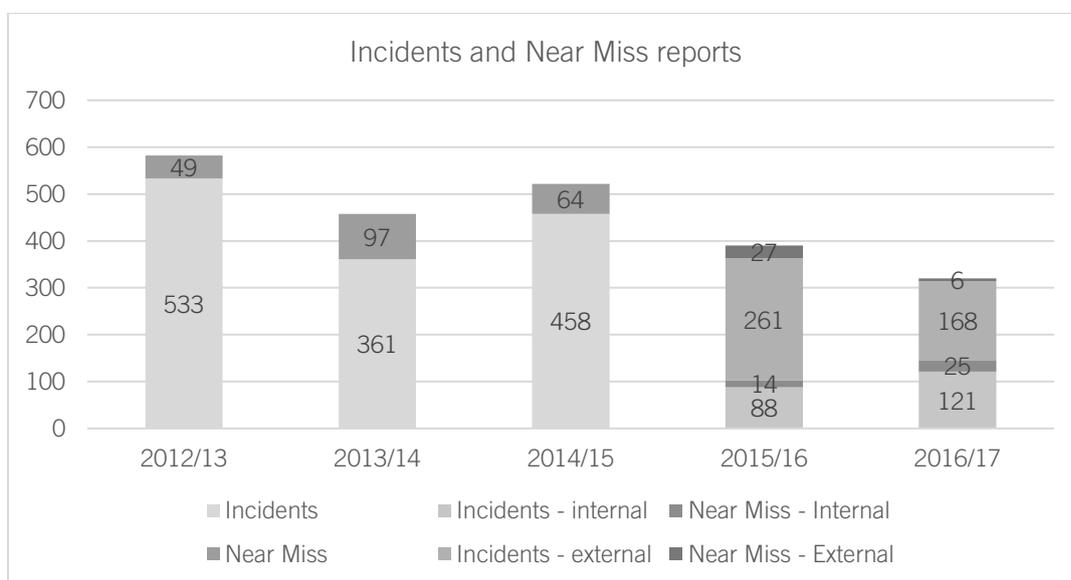
OCCUPATIONAL HEALTH AND SAFETY

Mitchell Shire is committed to ensuring the health and safety of employees, contractors and the public. This is achieved through the use of procedures, guidelines and management tools which develop an informed safety culture and meet our legislative requirements.

REPORTED INCIDENTS AND NEAR MISS REPORTS

All incidents, including near misses must be reported and then actioned by the manager or supervisor in the relevant area.

The following graph indicates the number of incidents and near misses reported over the last five years. A focus on incident reporting this year has led to an analysis of incidents in terms of whether they are internal (involves an employee, volunteer or contractor) or external (involves a public person). This led to an increase in the number of incidents reported internally and demonstrated a decrease in the number of incidents reported from external person/s.



Overall, the severity of incidents also improved, with a positive effect on our WorkCover premium for 2016/17.

The Local Government sector was flagged as a focus area for WorkSafe this year and accordingly, we were included in the WorkSafe proactive intervention program focussing on reviewing injuries, specific hazards and risks that potentially may cause injury. Therefore, five sites were reviewed to gain an understanding of the systems and personnel in place. Four Provisional Improvement Notices were issued by WorkSafe, we also highlighted a concern for all glass in child care facilities so an audit of glass is planned for all facilities where children regularly attend.

ASSET MANAGEMENT

Council is responsible for approximately \$564 million (fair value) and \$367 million (written down value) of infrastructure assets including roads, drainage, footpaths, bridges, parks, play equipment, sporting grounds and buildings.

A key objective of the Asset Management Policy is to ensure that assets used to support the services delivered by Mitchell Shire Council are sustainable.

Council continues to deal with the challenge of maintaining assets and infrastructure. Council has significantly increased its infrastructure investment to address the ongoing challenge associated with reducing the asset management backlog, whilst also providing suitable facilities and services to support the wellbeing of the community.

ASSET MANAGEMENT PLANS

Council has developed Asset Management Plans for all major asset classes. The plans provide mechanisms to clearly define its asset renewal and asset maintenance practices and to mitigate risk. Asset condition assessments help to create a scheduled program of works that targets the expenditure of capital funds on the assets that most require intervention.

ASSET RENEWAL

Mitchell Shire spent \$4.02 million on infrastructure asset renewal in 2016/17. Council is committed to responsible asset management and acknowledges that asset renewal will require a commitment and increased levels of expenditure in future years.

NEW FACILITIES AND AMENITIES

Each year a range of capital assets are developed in relation to new facilities to meet community needs and expectations, ranging from traffic management works to parks and new or upgraded buildings.

In 2016/17, Council expended \$3.74 million on new assets, including Hadfield Park AAA Playground, Wallan (\$1.01 million), construction of the next cell at Mitchell Landfill (\$0.91 million), Sports Pavilion Broadford Leisure Centre Precinct – Stage 1 (\$0.70 million) and the Early Learning Facility at Wallan Primary School (\$0.55 million).

NEW SUBDIVISIONS

Mitchell Shire Council acquires new assets through development of subdivisions.

Over the last five years, Council has increased its subdivision road asset base by an annual average of 13.968 kilometres with 8.469 kilometres completed in 2016/17. Council recognised \$7.47 million land and infrastructure assets, including \$3.15 million of road infrastructure and \$2.5 million for drainage assets in 2016/17.

As Council acquires new assets through subdivision development it also becomes responsible for consequential maintenance, and future upgrade costs are established and allowed for in future budgets.

OTHER STATUTORY INFORMATION

DOCUMENTS AVAILABLE FOR PUBLIC INSPECTION

In accordance with regulation 12 of the *Local Government (General) Regulations 2015* the following are prescribed documents that are available for public inspection. Copies of the documents can be obtained for the purposes of section 222 of the Act at 113 High Street Broadford, or by contacting our Governance Department on 5734 6200:

- a) a document containing details of overseas or interstate travel (other than interstate travel by land for less than three days) undertaken in an official capacity by councillor or any member of council staff in the previous 12 months
- b) 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
- c) 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
- d) 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
- e) 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
- f) a register maintained under section 224(1A) of the Act of authorised officers appointed under that section
- g) 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

In accordance with section 208B(F) of the *Local Government Act 1989*, Council is required to report annually on initiatives carried out in relation to best value principles:

- > Specific quality and cost standards for council services
- > Responsiveness to community needs
- > Accessibility and appropriately targeted services
- > Continuous improvement
- > Regular community consultation on all service and activities
- > Frequent community reporting.

While no formal best value service reviews were conducted in 2016/17, Council remain committed to a culture of continuous improvement.

During 2016/17, Council undertook a year-long program to identify \$2 million redirected from the 2016/17 operating budget to infrastructure investment.

As a follow-on from this project, having adopted the State Government recommended rate cap, Council identified further efficiency savings.

Other activities included the culmination of a review and subsequent minor restructure of the Leisure Services area, and a realignment of the directorates of Council to further refine areas of responsibility.

Council also sought community input on a number of projects, services and activities; took part in the State Government's Community Satisfaction Survey and provided regular reports on the Local Government Reporting Framework and Council Plan activities throughout the year.

CARERS RECOGNITION

In accordance with the *Carers Recognition Act 2012*, Council is required to report annually on its care measurement obligations under section 11 of that Act.

Council has promoted the principles of that 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 service
- > 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 by including information on the care relationship in Council induction and training programs for staff working in Community Services and front-line positions.

CONTRACTS

In accordance with the *Local Government Act 1989*, Council is required to disclose any contracts valued at more than \$200,000 that were not engaged via a public tender process. During the year, Council entered into one potential contract valued at over \$200,000.

An IT contractor that provides Council IT systems, including the finance system, has reached the threshold due to increased spend and expansion of services provided. As this is a specialised service, Council will seek a Ministerial exemption for this contract.

DISABILITY ACTION PLAN

In accordance with Section 38 of the *Disability Act 2006*, Council is required to report on the implementation of the Disability Action Plan in its annual report.

The following actions were met in the Year 4 Annual Action Plan of the Access and Inclusion Disability Plan.

- > Increased promotion of inclusion and disability awareness within the community by celebrating the diversity of people who live, work and visit the Mitchell Shire through successful delivery of the International Day of People with Disability event.
- > Successful implementation of the play space framework principles and increased range of recreational facilities available for individuals with barriers with the opening of the new All Abilities Splash Park in Wallan in December 2016.
- > In partnership with youth services, promotion of inclusion and awareness of disability amongst young people through hosting the wheelchair motor cross (WCMX) demonstration at the North-East Skate competition.
- > Increased economic opportunities through the successful development of the Good Access is Good Business (GA=GB) booklet (completed in December 2016) in conjunction with Local Government Areas across Northern Victoria.
- > Enhanced accessibility and public amenities included in the new Wallan Town Centre Streetscape design following successful consultation between Mitchell Shire Council's Strategic Planning Team and the Access and Inclusion Advisory Committee.
- > Embed the principles of access and inclusion and strive for 'best practice' in the operations and service delivery across Council through the successful delivery of "See the person not the disability" awareness training hosted by Scope in October 2016 for staff members.
- > Successful implementation of Communication Boards installed in all Shire run library and customer service facilities, with full time staff trained in utilising the boards. Additional training currently scheduled for leisure staff to also have the boards installed at all leisure centres across Mitchell Shire.

The Access and Inclusion Advisory Committee members worked on a number of partnership projects including:

- > The International Day of People with Disability event- successfully run in partnership with Mob Events and the Access and Inclusion Advisory Committee at Kings Park, Seymour.
- > Quarterly meetings were hosted at Mitchell Shire Council to provide opportunities for discussion, networking and advocacy in the disability sector.
- > Access and Inclusion Advisory Committee provided feedback and input into strategic planning and engineering projects across the municipality.
- > The Access and Inclusion Committee were also involved in the consultation and development of the 2017-2021 Council Plan, 2017-2021 Social Justice Framework and the 2017-2021 Municipal Public Health and Wellbeing Plan.

DOMESTIC ANIMAL MANAGEMENT PLAN

The Domestic Animal Management Plan 2013-2017 guides Council's planning for animal management under specific areas and lists 80 actions to be completed over the four-year plan. A report of actions for 2016/17 is included in Strategic Objective 4.

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

The *Freedom of Information Act 1982* grants the community the right to access certain Council documents. This general right of access is limited by exceptions and exemptions which have been prescribed to protect public interests and the private and business affairs of people about whom Council holds information. The Act has four principles:

1. The public has the right of access to information.
2. Local governments are required to publish information on the documents they hold.
3. People may request that inaccurate, incomplete, out-of-date or misleading information in their personal records be amended.
4. People may appeal against a decision not to give access to the information or not to amend a personal record.

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. Following is the summary of the application and operation of the *Freedom of Information Act 1982*.

FOI Requests received	2012/13	2013/14	2014/15	2015/16	2016/17
New requests	12	12	9	7	24
Access granted in Full	1	1	2	3	2
Access granted in part	7	5	0	1	16
Access denied in full	1	1	0	0	0
Requests withdrawn	0	1	3	0	2
Requests determined not to be FOI requests	2	2	1	0	1
Requests still under consideration	0	1	3	5	0
Requests, no documents existed	0	1	0	0	3
Number of internal reviews sought	1	0	0	0	0
Appeals lodged with VCAT	0	0	0	0	0

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

- > it should be in writing
- > it should identify as clearly as possible which document is being requested
- > it should be accompanied by the appropriate application fee (the fee may be waived in certain circumstances).

Requests for documents in the possession of council should be addressed to the Freedom of Information Officer. Requests can be made by email to mitchell@mitchellshire.vic.gov.au or

in writing addressed to the Freedom of Information Officer, Mitchell Shire Council 113 High Street Broadford 3658.

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

Further information regarding FOI can be found at www.foi.vic.gov.au.

INFORMATION PRIVACY

The responsible handling of personal information is a key aspect of democratic governance and Council is committed to protecting an individual's right to privacy. Council will take the necessary steps to ensure that the personal information that people share with us remains confidential.

Accordingly, Council is committed to full compliance with its obligations under the *Privacy and Data Protection Act 2014* and the *Health Records Act 2001*. Council's Information Privacy Policy is available on our website.

A complaint process is available if any person feels aggrieved by Council's collection or handling of their personal information. An individual may make a complaint to Council's Privacy Officer by emailing mitchell@mitchellshire.vic.gov.au, calling (03) 5734 6200 or by sending written correspondence to Mitchell Shire Council, 113 High Street, Broadford, Vic, 3658.

Mitchell Shire Council received four privacy complaints in 2016/17. One of those complaints was deemed a privacy breach.

LOCAL LAWS

Local Law No. 1 Community and Environment 2013

Local Law No. 1 Community and Environment 2013 was last reviewed and adopted by Council in June 2013. It covers alcohol, animals, asset protection, firewood collection, fireworks, open air vehicles, recreational vehicles, road closures, skip bins and trading. It outlines permits and procedures required, as well as the relevant fines for infringement of these procedures.

The objectives of the local law are to:

- > Provide for the peace, order and wellbeing of people in the municipal district by enhancing public safety and community amenity;
- > Provide for the safe and equitable use and enjoyment of public places;
- > Protect and enhance the environment and amenity of the municipality;
- > Regulate and control activities and behaviours which may be regarded as dangerous, unsafe or detrimental; and
- > Allow uniform and fair administration of this local law.

Local Law No. 1 Meeting Procedures 2014

Local Law No. 1 Meeting Procedures 2014 was gazetted in December 2014. The objectives of the meeting procedures local law are to:

- > Provide for the election of the Mayor and Deputy Mayor;
- > Regulate the use of the common seal;
- > Prohibit unauthorised use of the common seal or any device resembling the common seal;
- > Provide for the procedures governing the conduct of Council meetings and Special Committee and Advisory Committee meetings; and
- > Set the rules of behaviour for those participating in or present at Council meetings and Special Committee and Advisory Committee meetings.

NATIONAL COMPETITION POLICY COMPLIANCE

The National Competition Policy promotes efficient public resource allocation. Its underpinning principles are intended to ensure reform of monopolies; that there is separation of regulatory and business functions; that legislative restrictions on competition are removed; and that price reforms are adopted to offset any public ownership advantages enjoyed by government businesses.

Mitchell Shire Council is required to comply in three areas:

1. Trade Practices (Competition Code, *Competition Policy Reform Act 1995*)
2. Local Laws
3. Competitive Neutrality

Mitchell Shire Council continues to recognise its obligations to comply with the *Trade Practices Act 1974* Part IV (Competition Code in Victoria). There were no complaints to Council or any referrals or investigations by the Australian Competition and Consumer Commission related to Trade Practices in 2016/17.

Council is also required to review its Local Laws to ensure they do not restrict competition.

Council recognises its obligations towards competitive neutrality in accordance with the requirements of Victorian Government Policy, National Competition Policy and Local Government. Council takes public interest considerations into account in deciding whether competitive neutrality should apply and believes that all principles of competitive neutrality have been correctly applied.

No complaints were received in 2016/17.

PROTECTED DISCLOSURE

In accordance with section 69 of the *Protected Disclosure Act 2012* a 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 council's website.

During the 2016/17 year no disclosures were notified to council officers appointed to receive disclosures, or to 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.

GOVERNANCE AND MANAGEMENT CHECKLIST

The following are the results in the prescribed form of Council's assessment against the prescribed Governance and Management Checklist.

Column 1	Column 2
Governance and Management items	Assessment
1. Community engagement policy (policy outlining Council's commitment to engaging with the community on matters of public interest)	Current policy in operation ✓ Date of adoption/operation of current policy: 13/10/2014
2. Community engagement guidelines (guidelines to assist staff to determine when and how to engage with the community)	Current guidelines in operation ✓ Date of operation of current guidelines: 13/10/2014
3. Strategic Resource Plan (plan under section 126 of the Act outlining the financial and non-financial resources required for at least the next four financial years)	Plan adopted in accordance with section 126 of the Act ✓ Date of adoption: 19/06/2017
4. Annual budget (plan under section 130 of the Act setting out the services to be provided and initiatives to be undertaken over the next 12 months and the funding and other resources required)	Adopted in accordance with section 130 of the Act ✓ Date of Adoption: 19/06/2017
5. Asset management plans (plans that set out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)	Plans ✓ Date of operation of current plans: Bridges 28/10/2013, Buildings 28/10/2013, Parks and Open Spaces 01/12/2012, Roads 28/10/2013, Stormwater Drainage 01/12/2012
6. Rating strategy (strategy setting out the rating structure of Council to levy rates and charges)	Strategy ✓ Date of operation of current strategy: 05/04/2016

Column 1	Column 2
Governance and Management items	Assessment
7. Risk policy (policy outlining Council's commitment and approach to minimising the risks to Council's operations)	Policy ✓ Date of operation of current policy: 24/03/2014
8. Fraud policy (policy outlining Council's commitment and approach to minimising the risk of fraud)	Policy ✓ Date of operation of current policy: 01/05/2017
9. Municipal emergency management plan (plan under section 20 of the <i>Emergency Management Act 1986</i> for emergency prevention, response and recovery)	Prepared and maintained in accordance with section 20 of the <i>Emergency Management Act 1986</i> ✓ Date of preparation: 05/05/2015
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)	Prepared and approved in accordance with section 186A of the Local Government Act ✓ Date of approval: 19/06/2017
11. Business continuity plan (plan setting out the actions that will be taken to ensure that key services continue to operate in the event of a disaster)	Plan ✓ Current plan in operation: 31/01/2014
12. Disaster recovery plan (plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster)	Plan ✓ Current plan in operation: 13/02/2012
13. Risk management framework (framework outlining Council's approach to managing risks to the Council's operations)	Framework ✓ Current framework in operation: 24/03/2014

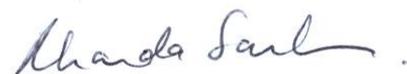
Column 1	Column 2
Governance and Management items	Assessment
<p>14. Audit Committee (advisory committee of Council under section 139 of the Act whose role is to oversee the integrity of a Council's financial reporting, processes to manage risks to the Council's operations and for compliance with applicable legal, ethical, and regulatory requirements)</p>	<p>Committee established in accordance with section 139 of the Act ✓ Date of establishment: 15/04/2004</p>
<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>Engaged ✓ Date of engagement of current provider: 20/02/2017</p>
<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>Framework ✓ Current framework in operation: 15/05/2015</p>
<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>Report ✓ Date of current report: 20/02/2017</p>
<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>Quarterly statements presented to Council in accordance with section 138(1) of the Act ✓ Date statements presented: 19/09/2016, 21/11/2016, 20/02/2017, 15/05/2017</p>
<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>Report ✓ Date of reports: 06/09/2016, 24/11/2016, 23/02/2017, 18/05/2017</p>

Column 1	Column 2
Governance and Management items	Assessment
<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>Report ✓</p> <p>Date of reports: 17/10/2016, 20/02/2017</p>
<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 performance statements)</p>	<p>Annual report considered at a meeting of Council in accordance with section 134 of the Act ✓</p> <p>Date of report: 17/10/2016</p>
<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>Code of conduct reviewed in accordance with section 76C of the Act ✓</p> <p>Date reviewed: 06/02/2017</p>
<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>Delegations reviewed in accordance with section 98(6) of the Act ✓</p> <p>Date of review: 18/07/2016</p>
<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: 25/12/2014</p>

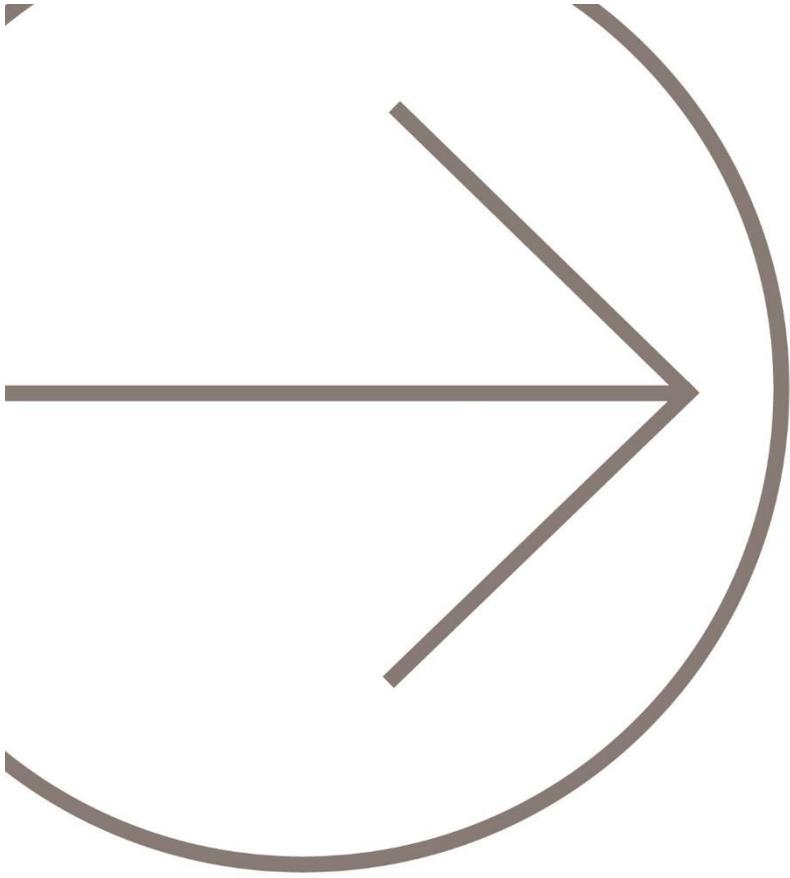
I certify that this information presents fairly the status of Council's governance and management arrangements.



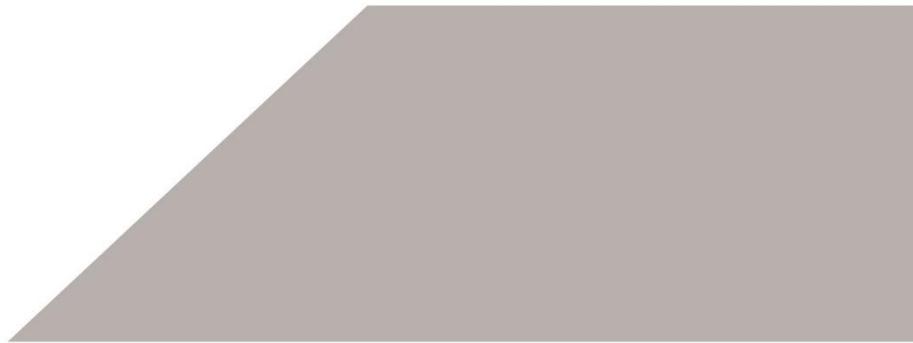
Laurie Ellis
Acting Chief Executive Officer
Dated: 18 September 2017



Cr Rhonda Sanderson
Mayor
Dated: 18 September 2017



PERFORMANCE STATEMENT



DESCRIPTION OF MUNICIPALITY

Strategically located 40 kilometres north of Melbourne, we are one of Victoria's fastest growing municipalities.

As an interface growth area, we offer a mix of rural and urban living with affordable housing and a diversity of lifestyle and housing choices. By 2036, our population is projected to grow by more than 50,000 people with nearly 90,000 people calling Mitchell home, many of them young families. It is anticipated that most of this growth will occur in and around the southern townships of Beveridge, Wallan and Kilmore/Kilmore East.

We have a high commuter work force and our community relies heavily on regional rail and road networks to travel to and from work and for day to day community activities. Key employers within the shire include Puckapunyal Army Barracks, Council, hospitals, health services, schools and child care, supermarkets, Ralphs Meats and Nestle. Our agricultural, equine and tourism industries are also important contributors to our local economy.

Our rolling foothills, open farmland, mountain ranges, rivers and creeks are key attributes of our landscape amenity. This also means parts of our municipality are subject to natural disasters such as fires, storms and floods.

At 2,864 square kilometres, we are a large municipality with many larger and smaller townships and communities. These include Beveridge, Broadford, Bylands, Clonbinane, Forbes, Glenaroua, Glenhope, Glenhope East, Heathcote Junction, Heathcote South, High Camp, Hilldene, Hughes Creek, Kilmore, Kilmore East, Mia Mia, Moranding, Northwood, Nulla Vale, Puckapunyal, Pyalong, Reedy Creek, Seymour, Sugarloaf Creek, Sunday Creek, Tallarook, Tooborac, Trawool, Tyaak, Upper Plenty, Wallan, Wallan East, Wandong, Waterford Park, Whiteheads Creek and Willowmavin.

We also cover parts of Avenel, Donnybrook, Flowerdale, Highlands, Mangalore, Strath Creek, and Tarcombe.

As at 30 March 2017, our total population stood at 40,595.¹

¹ (source: Australian Bureau of Statistics 3218.0 Regional Population Growth - Estimated Resident Population by Local Government Area).

Sustainable Capacity Indicators

For the year ended 30 June 2017

<i>Indicator / measure</i>	Results			Material variations
	2015	2016	2017	
Population				
<i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$1,428.56	\$1,473.03 ²	\$1,361.84	No material variation.
<i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$10,567.60	\$11,313.75 ³	\$10,083.38	The reduction in infrastructure per capita is a result of formula calculation in the prior two reporting years. Previously the results didn't separate out land from all other property, plant and equipment. Taking this into consideration, there would be no material variation. The variance can be partly explained by a decline in asset values following revaluations undertaken throughout the financial year. As a growing population with increasing needs for new infrastructure, this is expected to increase in future years until our population reaches a much higher level and starts to bring the per capita result lower.
<i>Population density per length of road</i> [Municipal population / Kilometres of local roads]	28.40	28.64 ⁴	29.27	No material variation.

² The 2015/16 result of \$1,462.94 has been updated after the production of the Annual Report and corrected on the Know Your Council Website, due to a transposition in the municipal population.

³ The 2015/16 result of \$11,236.24 has been updated after the production of the Annual Report and corrected on the Know Your Council Website, due to a transposition in the municipal population.

⁴ The 2015/16 result of 28.83 has been updated after the production of the Annual Report and corrected on the Know Your Council Website, due to a transposition in the municipal population.

<i>Own-source revenue</i>				
<i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$1,065.20	\$1,108.60 ⁵	\$1,142.70	No material variation.
<i>Recurrent grants</i>				
<i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$388.97	\$187.88 ⁶	\$351.25	In 2014/15 and 2016/17 Financial Assistance Grants funding was partially paid in advance which has the effect of substantially increasing the result in this area, when compared to a year (e.g. 2015/16) when no advance payment is received.
<i>Disadvantage</i>				
<i>Relative Socio-Economic Disadvantage</i> [Index of Relative Socio-Economic Disadvantage by decile]	6	6	6	No material variation.

Definitions

“adjusted underlying revenue” means total income other than —

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

“infrastructure” means non-current property, plant and equipment excluding land.

“local road” means a sealed or unsealed road for which the council is the responsible road authority under the Road Management Act 2004.

“population” means the resident population estimated by council.

“own-source revenue” means adjusted underlying revenue other than revenue that is not under the control of council (including government grants).

“relative socio-economic disadvantage”, in relation to a municipality, means the relative socio-economic disadvantage, expressed as a decile for the relevant financial year, of the area in which the municipality is located according to the Index of Relative Socio-Economic Disadvantage (Catalogue Number 2033.0.55.001) of SEIFA.

“SEIFA” means the Socio-Economic Indexes for Areas published from time to time by the Australian Bureau of Statistics on its Internet website.

“unrestricted cash” means all cash and cash equivalents other than restricted cash.

⁵ The 2015/16 result of \$1,101.01 has been updated after the production of the Annual Report and corrected on the Know Your Council Website, due to a transposition in the municipal population.

⁶ The 2015/16 result of \$186.59 has been updated after the production of the Annual Report and corrected on the Know Your Council Website, due to a transposition in the municipal population.

Service Performance Indicators

For the year ended 30 June 2017

Service / <i>indicator</i> / [measure]	Results			Material variations
	2015	2016	2017	
Aquatic facilities				
<i>Utilisation</i>				
<i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	5.55	6.46 ⁷	5.81	No material variation
Animal management				
<i>Health and safety</i>				
<i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	10.00	19.00	14.00	No material variation
Food safety				
<i>Health and safety</i>				
<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	19.83%	100.00%	100.00%	No material variation
Governance				
<i>Satisfaction</i>				
<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]	49	41	46	No material variation

⁷ The 2015/16 result of 6.46 has been updated after the production of the Annual Report and corrected on the Know Your Council Website, due to a transposition in the municipal population.

Service / indicator / [measure]	Results			Material variations
	2015	2016	2017	
Home & community care⁸				
Participation				
<i>Participation in HACC service</i> <i>[Number of people that received a HACC service / Municipal target population for HACC services] x 100</i>	N/A	N/A	N/A	Reporting of HACC ceased 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP Programs.
Participation				
<i>Participation in HACC service by CALD people</i> <i>[Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x 100</i>	N/A	N/A	N/A	Mitchell Shire Council does not have operational responsibility or direct control of any HACC services and is not required to report on this indicator.
Libraries				
Participation				
<i>Active library members</i> <i>[Number of active library members / Municipal population] x100</i>	15.00% ⁹	12.65% ¹⁰	11.80%	No material variation
Maternal and child health				
Participation				
<i>Participation in the MCH service</i> <i>[Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100</i>	79.17%	79.00% ¹¹	76.74%	No material variation
Participation				
<i>Participation in the MCH service by Aboriginal children</i> <i>[Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100</i>	81.13%	72.78% ¹²	74.80%	No material variation

⁸ Reporting on HACC ceased on July 1 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs

⁹ This figure has been altered from the previous year's result of 19.04%, due to a data error

¹⁰ The 2015/16 result of 12.57% has been updated after the production of the Annual Report and corrected on the Know Your Council Website, due to a transposition in the municipal population.

¹¹ The 2015/16 result of "No data" was reported at certification as the Child Development Information System (CDIS) issues were not yet resolved. Results were updated on Know Your Council website.

¹² The 2015/16 result of "No data" was reported at certification as the CDIS Issues were not yet resolved. Results were updated on Know Your Council website.

Service / <i>indicator</i> / [measure]	Results			Material variations
	2015	2016	2017	
Roads				
Satisfaction				
<i>Satisfaction with sealed local roads</i>	43	37	38	No material variation.
[Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]				
Statutory Planning				
Decision making				
<i>Council planning decisions upheld at VCAT</i>	44.44%	50.00%	100.00%	In 2015/16 2 of 4 decisions were upheld at VCAT and in 2016/17, 2 of 2 decisions were upheld. Any change in the results of such a small number of decisions has a significant impact on our % result
[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				
Waste Collection				
Waste diversion				
<i>Kerbside collection waste diverted from landfill</i>	33.34%	33.85%	33.05%	No material variation
[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100				

Definitions

“Aboriginal child” means a child who is an Aboriginal person.

“Aboriginal person” has the same meaning as in the *Aboriginal Heritage Act 2006*.

“active library member” means a member of a library who has borrowed a book from the library.

“annual report” means an annual report prepared by a council under sections 131, 132 and 133 of the Act.

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

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

“Community Care Common Standards” means the Community Care Common Standards for the delivery of HACC services, published from time to time by the Commonwealth.

“critical non-compliance outcome notification” means a notification received by council under section 19N(3) or (4) of the *Food Act 1984*, or advice given to council by an authorized officer under that Act, of a deficiency that poses an immediate serious threat to public health.

“food premises” has the same meaning as in the *Food Act 1984*.

“HACC program” means the Home and Community Care program established under the Agreement entered into for the purpose of the *Home and Community Care Act 1985* of the Commonwealth.

“HACC service” means home help, personal care or community respite provided under the HACC program.

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

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

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

“population” means the resident population estimated by council.

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

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

Financial Performance Indicators

For the year ended 30 June 2017

Dimension / <i>indicator</i> / <i>measure</i>	Results			Forecasts				Material variations
	2015	2016	2017	2018	2019	2020	2021	
Efficiency								
Revenue level								
<i>Average residential rate per residential property assessment</i> [Residential rate revenue / Number of residential property assessments]	\$1,698.74	\$1,805.45	\$1,840.00	\$1,914.67	\$1,928.20	\$1,942.03	\$1,955.81	No material variation
Expenditure level								
<i>Expenses per property assessment</i> [Total expenses / Number of property assessments]	\$2,988.65	\$3,052.38	\$2,909.68	\$3,121.33	\$3,208.40	\$3,277.31	\$3,355.88	No material variation
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	19.55%	20.54%	18.41%	14.00%	14.00%	14.00%	14.00%	Overall staff turnover has decreased from 20.54% last year to 18.41% this financial year which is a slightly greater reduction than anticipated. This result also includes five roles which were made redundant in the previous financial year and not processed until this financial year. By excluding these positions, the turnover rate is further reduced to 16.46%. The number of departures has also declined steadily over the year, showing a considerable reduction in departures in quarter 3 and quarter 4. The reduction in departures correlates with the implementation of actions within One Mitchell Positive Culture Action Plan.

Dimension / <i>indicator</i> / <i>measure</i>	Results			Forecasts				Material variations
	2015	2016	2017	2018	2019	2020	2021	
Liquidity								
<i>Working capital</i>								
<i>Current assets compared to current liabilities</i> [Current assets / Current liabilities] x100	155.13%	189.96%	257.32%	171.15%	211.01%	192.69%	194.90%	Council's focus on building cash and investments has seen an increase in working capital. Current assets will sufficiently cover Council operations and current liabilities. At 30 June 2017, current assets include cash held for capital works (including unspent capital grants) and unspent operating grants, including the prepaid Financial Assistance Grant of \$3.5M.
<i>Unrestricted cash</i>								
<i>Unrestricted cash compared to current liabilities</i> [Unrestricted cash / Current liabilities] x100	35.66%	39.14%	108.10%	77.47%	99.03%	86.06%	83.91%	Council's unrestricted cash in 2016/17 is more favourable than expected due to operational projects that were not completed during the year that will now be completed during 2017/18 in addition to the prepayment of 51% (\$3.5M) of the Financial Assistance Grant funding. This prepayment also impacts the forecast for 2017/18 with a lower Financial Assistance Grant to be received. Council are seeking to increase this performance over time and the forecasts will now be revised following completion of the year end accounts.

Dimension / <i>indicator</i> / <i>measure</i>	Results			Forecasts				Material variations
	2015	2016	2017	2018	2019	2020	2021	
Obligations								
<i>Asset renewal</i>								
<i>Asset renewal compared to depreciation</i> [Asset renewal expense / Asset depreciation] x100	52.82%	34.95%	53.49%	78.28%	51.51%	42.06%	46.43%	The 2016/17 asset renewal indicator is lower than planned due to carried forward renewal capital expenditure of \$2.41M into 2017/18. This indicator shows whether Council is spending sufficient funds on the renewal of existing assets and is one of the key priority areas for improvement in Council's long term financial plan. Mitchell Shire Council is faced with the challenge of renewing assets whilst experiencing growth, which necessitates the investment in new assets. Improving Council's asset renewal gap remains a challenge for future years.
<i>Loans and borrowings</i>								
<i>Loans and borrowings compared to rates</i> [Interest bearing loans and borrowings / Rate revenue] x100	44.38%	36.81%	46.14%	42.96%	43.47%	36.89%	35.12%	No material variation
<i>Loans and borrowings</i>								
<i>Loans and borrowings repayments compared to rates</i> [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	6.91%	6.37%	5.32%	6.51%	7.32%	7.07%	7.46%	No material variation

Dimension / <i>indicator</i> / <i>measure</i>	Results			Forecasts				Material variations
	2015	2016	2017	2018	2019	2020	2021	
<i>Indebtedness</i>								
<i>Non-current liabilities compared to own source revenue</i> [Non-current liabilities / Own source revenue] x100	50.34%	41.00%	41.86%	34.04%	34.35%	28.02%	25.45%	No material variation

Dimension/ <i>indicator/measure</i>	Results			Forecasts				Material variations
	2015	2016	2017	2018	2019	2020	2021	
Operating position <i>Adjusted underlying result</i> <i>Adjusted underlying surplus (or deficit)</i> [Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100	1.76%	-13.43%	12.19%	-7.41%	-1.74%	-1.95%	-2.34%	<p>The 2016/17 underlying surplus is impacted by the one-off timing effect of the prepayment of 2017/18 Financial Assistance Grant of \$3.50M in June 2017, which accounts for approximately 5.74% of the adjusted underlying result. This prepayment also impacts the 2017/18 forecast with an increased deficit.</p> <p>Following the end of year finalisation these forecasts will be revised with the continued goal to remove the deficit in the long term.</p> <p>The adjusted underlying result is an indicator of the sustainable operating result required to enable Council to continue to provide core services and meet its objectives. Council is focused on achieving a sustainable adjusted underlying surplus in the medium to long term.</p>
Stability <i>Rates concentration</i> <i>Rates compared to adjusted underlying revenue</i> [Rate revenue / Adjusted underlying revenue] x100	60.14%	72.49%	60.60%	70.93%	66.89%	67.13%	67.29%	<p>Council remains reliant on rate revenue as a major source of revenue. The variance between the 2015/16 and 2016/17 year-end results are skewed by the 51% pre-payment of the 2016/17 Financial Assistance Grant in 2015/16.</p>

Dimension/ <i>indicator/measure</i>	Results			Forecasts				Material variations
	2015	2016	2017	2018	2019	2020	2021	
<i>Rates effort</i>								
<i>Rates compared to property values</i> [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.50%	0.54%	0.52%	0.53%	0.55%	0.56%	0.57%	No material variation

Definitions

“adjusted underlying revenue” means total income other than—

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

“adjusted underlying surplus (or deficit)” means adjusted underlying revenue less total expenditure.

“asset renewal expenditure” means expenditure on an existing asset or on replacing an existing asset that returns the service capability of the asset to its original capability.

“current assets” has the same meaning as in the AAS.

“current liabilities” has the same meaning as in the AAS.

“non-current assets” means all assets other than current assets.

“non-current liabilities” means all liabilities other than current liabilities.

“non-recurrent grant” means a grant obtained on the condition that it be expended in a specified manner and is not expected to be received again during the period covered by a council’s Strategic Resource Plan.

“own-source revenue” means adjusted underlying revenue other than revenue that is not under the control of council (including government grants).

“population” means the resident population estimated by council.

“rate revenue” means revenue from general rates, municipal charges, service rates and service charges.

“recurrent grant” means a grant other than a non-recurrent grant.

“residential rates” means revenue from general rates, municipal charges, service rates and service charges levied on residential properties.

“restricted cash” means cash and cash equivalents, within the meaning of the AAS, that are not available for use other than for a purpose for which it is restricted, and includes cash to be used to fund capital works expenditure from the previous financial year.

“unrestricted cash” means all cash and cash equivalents other than restricted cash

Other Information

For the year ending 30 June 2017

Basis of preparation

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

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

The performance statement presents the actual results for the current year and for the prescribed financial performance indicators and measures, the results forecast by the council's strategic resource plan. The Local Government (Planning and Reporting) Regulations 2014 require explanation of any material variations outside of set thresholds in the results contained in the performance statement. These variations were received and noted by the Audit Committee on 18 May 2017.

The forecast figures included in the performance statement are those adopted by Council in its Strategic Resource Plan on 19 June 2017 and which forms part of the Council Plan. The Strategic Resource Plan includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General Purpose Financial Statements. The Strategic Resource Plan is available on Council's website at www.mitchellshire.vic.gov.au or by contacting Council.

Certification of the Performance Statement

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



Nicole Maxwell
Manager Finance and Assets

18 September 2017
Mitchell Shire Council, Broadford, VIC

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

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

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

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



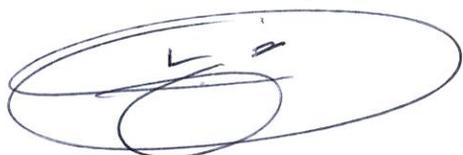
David Atkinson
Councillor

18 September 2017
Mitchell Shire Council, Broadford, VIC



David Lowe
Councillor

18 September 2017
Mitchell Shire Council, Broadford, VIC



Laurie Ellis
Acting Chief Executive Officer
Principal Accounting Officer

18 September 2017
Mitchell Shire Council, Broadford, VIC

Independent Auditor's Report

To the Councillors of Mitchell Shire Council

Opinion

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

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

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

Basis for Opinion

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

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

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

Councillors' responsibilities for the performance statement

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

Auditor's responsibilities for the audit of the performance statement

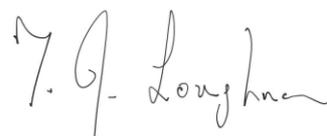
As required by the *Audit Act 1994*, my responsibility is to express an opinion on the performance statement based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the performance statement as a whole is free from material misstatement, whether due to fraud or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

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

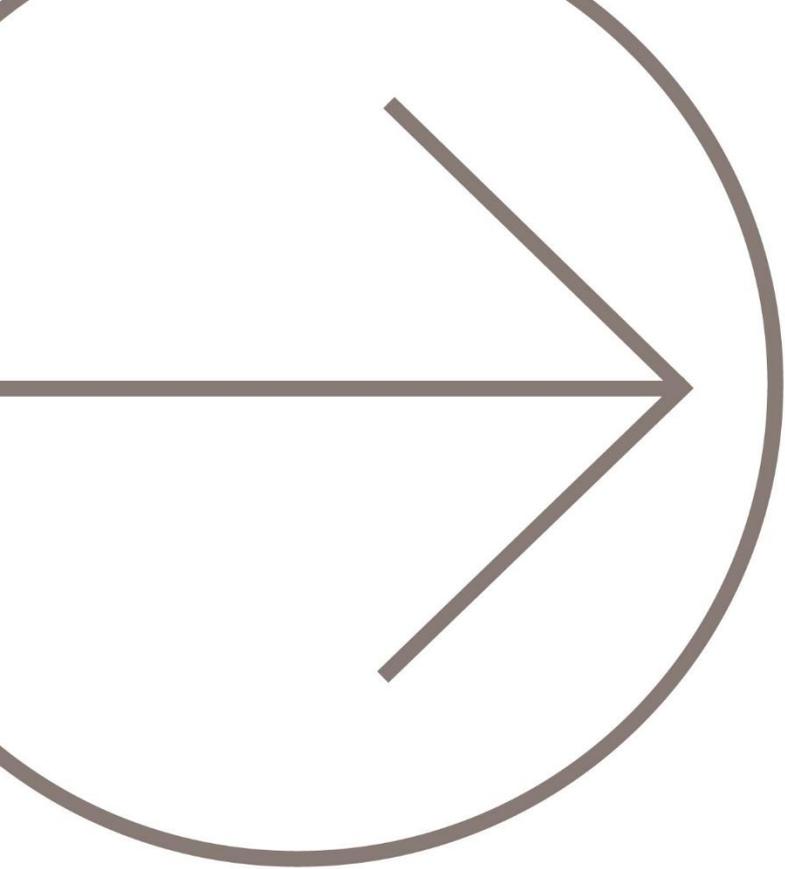
- identify and assess the risks of material misstatement of performance statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a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

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

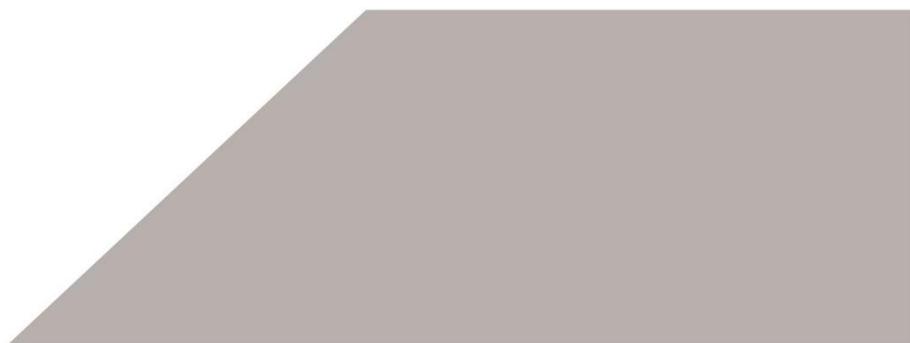
MELBOURNE
21 September 2017



Tim Loughnan
as delegate for the Auditor-General of Victoria



FINANCIAL REPORT



Mitchell Shire Council

ANNUAL FINANCIAL REPORT
for the year ended 30 June 2017

**TOGETHER WITH THE COMMUNITY,
CREATING A SUSTAINABLE FUTURE.**

MITCHELL SHIRE COUNCIL



Mitchell Shire Council

Annual Financial Report for the year ended 30 June 2017

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Overview

- (i) These financial statements are General Purpose Financial Statements and cover the consolidated operations for Mitchell Shire Council.
 - (ii) All figures presented in these financial statements are presented in Australian Currency.
 - (ii) These financial statements were authorised for issue by the Council on 18/09/17. Council has the power to amend and reissue these financial statements.
-

Mitchell Shire Council

Comprehensive Income Statement

for the year ended 30 June 2017

\$ '000	Notes	Actual 2017	Actual 2016
Income			
Rates & Charges	3	38,153	36,717
Statutory Fees & Fines	4	810	438
User Fees	5	6,503	5,357
Grants - Operating	6	14,174	6,638
Grants - Capital	6	9,154	7,936
Contributions - Monetary	7	1,950	1,098
Contributions - Non Monetary	7	7,469	5,666
Other Income	9	1,150	882
Total Income		79,363	64,732
Expenses			
Employee Costs	10	21,538	22,571
Materials & Services	11	19,103	17,540
Bad & Doubtful Debts	12	89	23
Depreciation & Amortisation	13	12,354	14,855
Borrowing Costs	14	715	905
Net Loss on Disposal of IPP&E	8	228	204
Other Expenses	15	1,485	1,684
Total Expenses		55,512	57,782
Surplus/(Deficit) for the Year		23,851	6,950
Other Comprehensive Income:			
Items that will not be reclassified to Surplus or Deficit in future periods			
Net Asset Revaluation Increment/(Decrement)	22	(3,819)	686
Total Items which will not be reclassified subsequently to the Operating Result		(3,819)	686
Total Other Comprehensive Income for the year		(3,819)	686
Total Comprehensive Result		20,032	7,636

Mitchell Shire Council

Balance Sheet

as at 30 June 2017

\$ '000	Notes	Actual 2017	Actual 2016
ASSETS			
Current Assets			
Cash & Cash Equivalents	16	10,538	9,855
Trade & Other Receivables	18	7,389	8,079
Other Financial Assets	17	24,063	10,000
Inventories	19	112	150
Non-current assets classified as "held for sale"	20	-	512
Other Assets	21	680	661
Total Current Assets		42,782	29,257
Non-Current Assets			
Trade & Other Receivables	18	25	23
Other Financial Assets	17	5	5
Property, Infrastructure, Plant & Equipment	22	453,003	443,563
Total Non-Current Assets		453,033	443,591
TOTAL ASSETS		495,815	472,848
LIABILITIES			
Current Liabilities			
Trade & Other Payables	23	5,504	5,609
Trust Funds & Deposits	24	2,826	3,140
Provisions	25	6,649	5,384
Interest-Bearing Loans & Borrowings	26	1,647	1,268
Total Current Liabilities		16,626	15,401
Non-Current Liabilities			
Provisions	25	3,460	5,460
Interest-Bearing Loans & Borrowings	26	15,956	12,246
Total Non-Current Liabilities		19,416	17,706
TOTAL LIABILITIES		36,042	33,107
Net Assets		459,773	439,741
EQUITY			
Accumulated Surplus		233,877	213,048
Reserves	27	225,896	226,693
Total Equity		459,773	439,741

Mitchell Shire Council

Statement of Changes in Equity
for the year ended 30 June 2017

\$ '000	Notes	Total	Accumulated Surplus	Revaluation Reserve	Other Reserves
2017					
Opening Balance (as per Last Year's Restated Audited Accounts)		439,741	213,048	216,644	10,049
a. Net Operating Result for the Year		23,851	23,851		-
b. Other Comprehensive Income					
- Net Asset Revaluation Increment/(Decrement)		(3,819)	-	(3,819)	-
Total Comprehensive Income		20,032	23,851	(3,819)	-
c. Transfers to Other Reserves		-	(3,022)	-	3,022
Equity - Balance at end of the reporting period		459,773	233,877	212,825	13,071

\$ '000	Notes	Total	Accumulated Surplus	Revaluation Reserve	Other Reserves
2016					
Opening Balance (as per Last Year's Restated Audited Accounts)		432,105	203,934	215,958	12,213
a. Net Operating Result for the Year		6,950	6,950	-	-
b. Other Comprehensive Income					
- Net Asset Revaluation Increment/(Decrement)		686	-	686	-
Total Comprehensive Income		7,636	6,950	686	-
c. Transfers to Other Reserves		-	(2,469)	-	2,469
d. Transfers from Other Reserves		-	4,633	-	(4,633)
Equity - Balance at end of the reporting period		439,741	213,048	216,644	10,049

Mitchell Shire Council

Statement of Cash Flows for the year ended 30 June 2017

\$ '000	Notes	Actual 2017	Actual 2016
Cash Flows from Operating Activities			
Rates & Charges		38,141	36,785
Statutory Fees & Fines		688	321
User Fees		7,275	5,587
Grants - Operating		14,174	6,894
Grants - Capital		9,629	6,483
Contributions - Monetary		1,950	1,098
Interest Received		452	365
Trust Funds & Deposits Taken		(314)	(34)
Other Receipts		796	1,107
Net GST Refund/Payment		2,348	2,208
Employee Costs		(21,926)	(22,639)
Materials & Services		(22,231)	(19,137)
Other Payments		(1,751)	(1,497)
Net Cash provided by/(used in) Operating Activities	28	29,232	17,541
Cash Flows from Investing Activities			
Payments for Property, Infrastructure, Plant & Equipment	22	(18,961)	(9,639)
Proceeds from Sale of Property, Infrastructure, Plant & Equipment		1,102	408
Payments for Investments		(14,063)	(5,000)
Net Cash provided by/(used in) Investing Activities		(31,922)	(14,231)
Cash Flows from Financing Activities			
Finance Costs		(716)	(905)
Proceeds from Borrowings		5,400	-
Repayment of Borrowings		(1,311)	(1,433)
Net Cash provided by/(used in) Financing Activities		3,373	(2,338)
Net Increase (Decrease) in Cash & Cash Equivalents		683	971
Cash & Cash Equivalents at the beginning of the financial year		9,855	8,884
Cash & Cash Equivalents at the end of the financial year		10,538	9,855
Restrictions on Cash Assets	16	8,718	7,471

Mitchell Shire Council

Statement of Capital Works

for the year ended 30 June 2017

\$ '000	Notes	Actual 2017	Actual 2016
Property			
Land		5,585	-
Total Land		5,585	-
Buildings		3,504	225
Total Buildings		3,504	225
Total Property		9,089	225
Plant & Equipment			
Plant, Machinery & Equipment		2,145	302
Computers & Telecommunications		738	515
Library Books		160	160
Total Plant & Equipment		3,043	977
Infrastructure			
Roads		2,822	3,275
Bridges		884	689
Footpaths & Cycleways		308	221
Drainage		129	138
Recreational, Leisure & Community Facilities		2,739	2,708
Waste Management		987	1,481
Parks, Open Space & Streetscapes		54	-
Other Infrastructure		163	54
Total Infrastructure		8,086	8,566
Total Capital Works Expenditure		20,218	9,768
Represented by:			
New Asset Expenditure		11,684	3,744
Asset Renewal Expenditure		6,608	5,149
Asset Expansion Expenditure		151	9
Asset Upgrade Expenditure		1,775	866
Total Capital Works Expenditure		20,218	9,768

Mitchell Shire Council

Notes to the Financial Report

for the year ended 30 June 2017

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Mitchell Shire Council

Notes to the Financial Report for the year ended 30 June 2017

Note 1. Significant Accounting Policies

Introduction

The Mitchell Shire Council was established by an Order of the Governor in Council on 11 November 1994 and is a body corporate.

The Council's main office is located at 113 High Street, Broadford, 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, other authoritative pronouncements of the Australian Accounting Standards Board, the Local Government Act 1989, and the Local Government (Planning and Reporting) Regulations 2014.

(a) Basis of Accounting

The accrual basis of accounting has been used in the preparation of these financial statements, whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

Judgements, estimates and assumptions are required to be made about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated judgements are based on professional judgement derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements and assumptions made by management in the application of AAS's that have significant effects on the financial statements and estimates relate to:

- (i) the fair value of land, buildings, infrastructure, plant and equipment (refer to note 1 (d))

- (ii) the determination of depreciation for buildings, infrastructure, plant and equipment (refer to note 1 (k)).

- (iii) the determination of employee provisions (refer to note 1 (q)).

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

(b) Changes in Accounting Policies

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

(c) Revenue Recognition

Income is recognised when the Council obtains control of the contribution or the right to receive the contribution, it is probable that the economic benefits comprising the contribution will flow to the Council and the amount of the contribution can be measured reliably.

Rates and Charges

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

Statutory Fees and Fines

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

User Fees

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

Grants

Grant income is recognised when Council obtains control of the contribution. This is normally obtained

Mitchell Shire Council

Notes to the Financial Report for the year ended 30 June 2017

Note 1. Significant Accounting Policies (continued)

upon their receipt (or acquittal) or upon earlier notification that a grant has been secured, and are valued at their fair value at the date of transfer.

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

Contributions

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

Sale of Property, Infrastructure, Plant and Equipment

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

Interest

Interest is recognised as it is earned.

Dividends

Dividend revenue is recognised when the Council's right to receive payment is established.

Rental Income

Rent is recognised as revenue when the payments is due or the payment is received, whichever occurs first. Rental Payments received in advance are recognised as a prepayment until they are due

Other Income

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

(d) 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.

(e) Cash and Cash Equivalents

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

Mitchell Shire Council

Notes to the Financial Report for the year ended 30 June 2017

Note 1. Significant Accounting Policies (continued)

(f) Trade and Other Receivables

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

(g) Other Financial Assets

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

(h) Inventories

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

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

(i) Non-Current Assets Classified as Held for Sale

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

(j) Recognition and Measurement of Property, Plant and Equipment, Infrastructure and Intangibles

Acquisition

The purchase method of accounting is used for all acquisitions of assets, being the fair value of assets

provided as consideration at the date of acquisition plus any incidental costs attributable to the acquisition. Fair value is the amount for which the asset could be exchanged between knowledgeable willing parties in an arm's length transaction.

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

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

Revaluation

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

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use on an asset result in changes to the permissible or practical highest and best use of the asset. Further details regarding the fair value hierarchy are disclosed at Note 22, Property, infrastructure, plant and equipment.

In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 2 to 3 years. The valuation is performed either by experienced council officers or independent experts.

Where the assets are revalued, the revaluation increments are credited directly to the asset revaluation reserve except to the extent that an increment reverses a prior year decrement for that class of asset that had been recognised as an expense in which case the increment is recognised

Mitchell Shire Council

Notes to the Financial Report for the year ended 30 June 2017

Note 1. Significant Accounting Policies (continued)

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

Land Under Roads

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

(k) Depreciation and Amortisation of Property, Infrastructure, Plant and Equipment and Intangibles

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

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

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

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

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

Capitalisation Thresholds

Property	
- land	\$1,000
- land improvements	\$1,000

Buildings

Heritage buildings	\$10,000
Buildings	\$10,000
Building improvements	\$10,000
Leasehold improvements	\$10,000

Plant & Equipment

Plant and machinery	\$1,000
Furniture and equipment	\$1,000
Computers & telecommunications	\$1,000
Library books	\$1
Motor Vehicles	\$1,000

Infrastructure

Road pavements and seals	\$20,000
Road formation and earthworks	\$20,000
Road kerb, channel and minor culverts	\$5,000
Bridges deck	\$20,000
Bridges substructure	\$20,000
Footpaths and cycleways	\$5,000
Drainage	\$5,000
Recreational, leisure and community facilities	\$5,000
Waste management	\$20,000
Parks, Open space and streetscapes	\$5,000
Off street car parks	\$1,000

Depreciation

Property

- land	not depreciated
- land improvements	40 to 60 years

Buildings

Heritage buildings	50 to 200 years
Buildings	5 to 170 years
Building improvements	15 to 50 years
Leasehold improvements	0 to 10 years

Plant & Equipment

Plant and machinery	10 to 15 years
Furniture and Equipment	3 to 10 years
Computers & telecommunications	3 years
Library books	6.5 years
Motor Vehicles	4 years

Infrastructure

Road seals	10 to 25 years
Road pavements	90 years
Road formation and earthworks	not depreciated
Road kerb, channel and minor culverts	65 years
Bridges deck	50 to 150 years
Bridges substructure	50 to 150 years

Mitchell Shire Council

Notes to the Financial Report for the year ended 30 June 2017

Note 1. Significant Accounting Policies (continued)

Bridges other (culverts)	50 to 150 years
Footpaths and cycleways	15 to 60 years
Drainage	25 to 150 years
Recreational, leisure and community facilities	5 to 60 years
Waste management	15 years
Parks, Open space and streetscapes	10 to 150 years
Other	10 to 80 years

Infrastructure assets residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date. From July 2016 the useful lives of buildings was adjusted. This adjustment has reduced the 30 June 2017 depreciation expense by an estimated \$1.06 million. The average expected life of specialised buildings increased from 57 years to 96 years and non specialised from 57 years to 77 years.

(l) Repairs and Maintenance

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

(m) Prior Period Adjustments

Prior period adjustments have resulted from prior period corrections to Bridge assets (Drainage / Culvert) and Recreation and Open Space assets. In relation to the Bridge corrections a recent audit found bridge related assets that had not previously been capitalised. The majority of these assets were not picked up at the time as the works were part of bigger operational projects.

In relation to the Recreation and Open Space assets a write down was processed following a reconciliation that was undertaken within the asset class and found a listing of assets that were identified as either operational in nature, duplicated or no longer in existence. Details of the prior period adjustments are disclosed in note 38.

(n) Impairment of Assets

At each reporting date, the Council reviews the carrying value of its assets to determine whether there is any indication that these assets have been

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

(o) Trust Funds and Deposits

Amounts received as deposits and retention amounts controlled by Council are recognised as trust funds until they are returned, transferred in accordance with the purpose of the receipt, or forfeited (refer to Note 24).

(p) Borrowings

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

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

Borrowing Costs

Borrowing costs are recognised as an expense in the period in which they are incurred, except where they are capitalised as part of a qualifying asset constructed by Council. Except where specific borrowings are obtained for the purpose of specific asset acquisition, the weighted average interest rate applicable to borrowings at balance date, excluding borrowings associated with superannuation, is used to determine the borrowing costs to be capitalised.

Mitchell Shire Council

Notes to the Financial Report for the year ended 30 June 2017

Note 1. Significant Accounting Policies (continued)

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

(q) Employee Costs and Benefits

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

Wages and Salaries and Annual Leave

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

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

Long Service Leave

Liability for long service leave (LSL) is recognised in the provision for employee benefits.

Current Liability - unconditional LSL is disclosed as a current liability even when the council does not expect to settle the liability within 12 months because it will not have the unconditional right to defer settlement of the entitlement should an employee take leave within 12 months.

The components of this current liability are measured at:

- **present value** – component that is not expected to be wholly settled within 12 months.
- **nominal value** – component that is expected to be wholly settled within 12 months.

Classification of Employee Costs

Non-current liability - conditional LSL that has been accrued, where an employee is yet to reach a qualifying term of employment, is disclosed as a non

- current liability. There is an unconditional right to defer settlement of the entitlement until the employee has completed the requisite years of service.

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

(r) Landfill Rehabilitation Provision

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

Council recognises the rehabilitation component as a liability in the form of a provision for future works. The provision covers the expected cost of rehabilitating the Kilmore and Seymour landfill sites which have both been closed. In addition, provision has also been made for the expected cost of rehabilitating the Mitchell Landfill site over the course of its operational life.

The Remedial Action and Aftercare components have been treated as contingent liabilities.

(s) Leases

Operating Leases

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

(t) Goods and Services Tax (GST)

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

Mitchell Shire Council

Notes to the Financial Report for the year ended 30 June 2017

Note 1. Significant Accounting Policies (continued)

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

(u) Financial Guarantees

Financial guarantee contracts are not recognised as a liability in the balance sheet unless the lender has exercised their right to call on the guarantee or Council has other reasons to believe that it is probably that that right will be exercised. Details of guarantees that Council has provided, that are not recognised in the balance sheet are disclosed at Note 33 Contingent Liabilities and Contingent Assets.

(v) Contingent Assets and Contingent Liabilities and Commitments

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

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

(w) Non-Current Assets (or Disposal Groups) "Held for Sale"

Non-current assets (or disposal groups) are classified as held for sale and stated at the lower of either (i) their carrying amount or (ii) fair value less costs to sell, if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

The exception to this is plant and motor vehicles which are turned over on a regular basis. Plant and motor vehicles are retained in Non-Current Assets under the classification of Property, Infrastructure, Plant and Equipment - unless the assets are to be traded in after 30 June and the replacement assets were already purchased and accounted for as at 30 June.

For any assets or disposal groups classified as Non-Current Assets "held for sale", an impairment loss is

recognised at any time when the assets carrying value is greater than its fair value less costs to sell. Non-current assets "held for sale" are not depreciated or amortised while they are classified as "held for sale".

Non-current assets classified as "held for sale" are presented separately from the other assets in the balance sheet.

(x) Allocation between Current and Non-Current Assets & Liabilities

In the determination of whether an asset or liability is classified as current or non-current, consideration is given to the time when each asset or liability is expected to be settled.

The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Council's operational cycle.

Exceptions

In the case of liabilities where Council does not have the unconditional right to defer settlement beyond 12 months (such as vested long service leave), the liability is classified as current even if not expected to be settled within the next 12 months.

In the case of inventories that are "held for trading", these are also classified as current even if not expected to be realised in the next 12 months.

(y) Pending Accounting Standards

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

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

The standard shifts the focus from the transaction-level to a contract-based approach. Recognition is determined based on what the customer expects to be entitled to (rights and obligations), while measurement encompasses estimation by the entity of the amount expected to be entitled for performing under the contract. The full impact of this standard is

Mitchell Shire Council

Notes to the Financial Report for the year ended 30 June 2017

Note 1. Significant Accounting Policies (continued)

not known however it is most likely to impact where contracts extend over time, where there are rights and obligations that may vary the timing or amount of the consideration, or where there are multiple performance elements. This has the potential to impact on the recognition of certain grant income.

Leases (AASB 16) (applies 2019/20)

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

Council has a significant number of operating leases that will be impacted as a result of this change. At this stage, Council is yet to assess the effect on its assets and liabilities.

(z) Rounding

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

Mitchell Shire Council

Notes to the Financial Report

for the year ended 30 June 2017

Note 2. Budget Comparison

\$ '000

The budget comparison notes compare Council's financial plan, expressed through its annual budget, with actual performance. The Local Government (Planning and Reporting) Regulations 2014 requires explanation of any material variances. Council has adopted a materiality threshold of the lower of 10 percent or \$500k where further explanation is warranted. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

The budget figures detailed below are those adopted by Council on 20 June 2016. The Budget was based on assumptions that were relevant at the time of adoption of the Budget. Council sets guidelines and parameters for income and expense targets in this budget in order to meet Council's planning and financial performance targets for both the short and long-term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

These notes are prepared to meet the requirements of the Local Government Act 1989 and the Local Government (Planning and Reporting) Regulations 2014.

	Ref	Budget 2017	Actual 2017	Variance 2017
a) Income & Expenditure				
Income				
Rates & Charges	1	37,596	38,153	557
Statutory Fees & Fines	2	488	810	322
User Fees		6,019	6,503	484
Grants - Operating	3	9,795	14,174	4,379
Grants - Capital	4	3,835	9,154	5,319
Contributions - Monetary	5	3,380	1,950	(1,430)
Contributions - Non Monetary	6	10,000	7,469	(2,531)
Other Income	7	716	1,150	434
Total Income		71,829	79,363	7,534
Expenses				
Employee Costs	8	22,820	21,538	(1,282)
Materials & Services	9	18,491	19,103	612
Bad & Doubtful Debts		24	89	65
Depreciation & Amortisation	10	13,514	12,354	(1,160)
Borrowing Costs	11	1,075	715	(360)
Net Gain/(Loss) on Disposal of IPP&E	12	-	228	228
Other Expenses		1,630	1,485	(145)
Total Expenses		57,554	55,512	(2,042)
Surplus/(Deficit) for the Year		14,275	23,851	9,576

Mitchell Shire Council

Notes to the Financial Report for the year ended 30 June 2017

Note 2. Budget Comparison (continued)

a) Income & Expenditure (continued)

Explanation of Material Variations

Item	Explanation
1.	Budgeted rates income was \$557K higher mainly due to higher than budgeted rates and charges as a result of the annualised effect of the previous year's supplementary rates and interest on outstanding rates.
2.	Income from statutory fees and fines was \$322K higher than budget due to an increased volume of statutory fees and a new fee structure introduced in October 2016.
3.	Operating grant income was \$3.95M higher than budget mainly due to a 51% (\$3.5M) advance payment the Financial Assistance Grants relating to 2017/18 financial year.
4.	Capital grants were higher than budget by \$5.75M due to successful grant applications throughout the financial year including funds for the Greater Beveridge Community Centre, Wallan Town Heart Centre, Broadford Living Learning Centre Revitalisation, and the Mt Piper Kindergarten Maternal and Child Health Centre. However, the majority of these funds will be carried forward to fund the completion of the associated projects in the 2017/18 financial year.
5.	Monetary Contributions are \$1.43M lower than budgeted due to negotiations for a \$2.65M capital contribution to be paid in 2017/18 rather than 2016/17, this is offset by additional developer contributions as a result of the growth in the south of the shire.
6.	Non-monetary Contributions represent assets, such as roads, drains and open space, transferred to Council from developers. It is difficult to estimate the value and timing of these contributions. In 2016/17 transferred assets were \$2.54M lower than budget.
7.	Other income is higher than budget by \$416K. This is mainly due to higher interest from investments and a recalculated fuel rebate.
8.	Employee costs were \$1.28M less than budget primarily due to a reduced workcover premium, reduced fringe benefits tax, and staff vacancies. Staff vacancy savings were partially offset by an increase to materials and services for backfill via labour hire.
9.	Materials and services expenditure is \$460K higher than budget primarily due to backfill of staff vacancies via labour hire.
10.	Depreciation is an accounting measure which attempts to allocate the value of an asset over its useful life for Council's property, plant and equipment including infrastructure assets such as roads and drains. The 2016/17 depreciation is \$1.16M lower than budget due mainly to a reduction in Building Depreciation following a revaluation that reduced the written down value of the assets.
11.	Borrowing costs were \$360K less than budget due to partially delayed borrowings, a lower than forecast interest rate and some anticipated borrowings being deferred into 2017/18.
12.	Gain/(Loss) on disposal of assets is budgeted at \$0. It is assumed that the book value of the assets to be sold are a reasonable estimate of sale proceeds. However, the year end result shows a loss on disposal of assets of \$228K.

Mitchell Shire Council

Notes to the Financial Report
for the year ended 30 June 2017

Note 2. Budget Comparison (continued)

\$ '000	Ref	Budget 2017	Actual 2017	Variance 2017
b) Capital Works				
Property				
Land	1	7,480	5,585	(1,895)
Total Land		7,480	5,585	(1,895)
Buildings	2	7,200	3,504	(3,696)
Total Buildings		7,200	3,504	(3,696)
Total Property		14,680	9,089	(5,591)
Plant & Equipment				
Plant, Machinery & Equipment	3	1,360	2,145	785
Computers & Telecommunications		580	738	158
Library Books		150	160	10
Total Plant & Equipment		2,090	3,043	953
Infrastructure				
Roads		2,715	2,822	107
Bridges	4	368	884	516
Footpaths & Cycleways		520	308	(212)
Drainage		294	129	(165)
Recreational, Leisure & Community Facilities		2,383	2,739	356
Waste Management	5	2,000	987	(1,013)
Parks, Open Space & Streetscapes		82	54	(28)
Other Infrastructure		50	163	113
Total Infrastructure		8,412	8,086	(326)
Total Capital Works Expenditure		25,182	20,218	(4,964)
Represented By:				
New Asset Expenditure		16,885	11,684	(5,201)
Asset Renewal Expenditure		7,157	6,608	(549)
Asset Expansion Expenditure		20	151	131
Asset Upgrade Expenditure		1,120	1,775	655
Total Capital Works Expenditure		25,182	20,218	(4,964)

Mitchell Shire Council

Notes to the Financial Report for the year ended 30 June 2017

Note 2. Budget Comparison (continued)

b) Capital Works

Explanation of Material Variations

The variances between the actuals and the budgets are impacted by an increase to the budgets due to carried forward projects from 2015/2016 financial year as well as a reduction in the projects that have been carried forward to 2017/2018.

Item	Explanation
1.	The \$1.89M variance is mainly due to \$2M for land acquisition relating to the Seymour Flood Levee project being deferred to 2017/18.
2.	The \$3.7M variance is due mainly to Council being successful in obtaining grant funding for the Greater Beveridge Community Centre, this has enabled the scope of the project to increase however will be delivered over the 2017/18 and 2018/19 financial years, resulting in a carry forward.
3.	Plant, Machinery & Equipment expenditure was \$791K higher than budget as a result of carry forward works from 2015/16.
4.	Bridges expenditure was \$516K more than budget due to \$670K in carry forwards from 2015/16 and \$148K in carry forwards into 2017/18.
5.	Waste Management expenditure was \$1M less than budget. The original budget of \$2M was increased due to carried forwards from 2015/16 of \$388K, less carried forwards into 2017/18 of \$1.4M.

Mitchell Shire Council

Notes to the Financial Report

for the year ended 30 June 2017

Note 3. Rates & Charges

\$ '000	Actual 2017	Actual 2016
<p>Council uses Capital Improved Value as the basis of valuation of all properties within the municipal district. The Capital Improved Value of a property is the amount which that property might be expected to realise at the time of valuation if offered for sale on reasonable terms and conditions.</p> <p>The rate in the Capital Improved Value dollar was:</p>		
	2016-2017	2015-2016
	cents in the dollar	cents in the dollar
	dollar	dollar
General Rates	0.3701	0.3782
Vacant / Subdivisional	0.7402	0.7564
Rural Agricultural 40-100ha	0.3331	0.3404
Rural Agricultural >100ha	0.2961	0.3026
Vacant Commercial / Vacant Industrial	0.7772	N/A
General Rates	27,322	26,147
Municipal Charge	5,600	5,401
Waste Management Charge	4,588	4,485
Supplementary Rates & Rate Adjustments	356	370
Interest on Rates	287	314
Total Rates & Charges	38,153	36,717

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.

Note 4. Statutory Fees & Fines

Infringements & Costs	417	245
Town Planning Fees	393	193
Total Statutory Fees & Fines	810	438

Note 5. User Fees

Aged Services Fees	1	1
Leisure Centre Fees	2,222	2,105
Building Services Fees	300	262
Waste Management Services	1,771	1,072
Design and Supervision Fees	529	293
Kindergarten Fees	344	342
Library Fees and Fines	66	74
Animal Registration Fees and Fines	417	418
Ex Gratia Revenue	188	189
Environmental Health Fees	152	116
Legal Fees recovered	263	247
Other Fees & Charges	250	238
Total User Fees	6,503	5,357

Mitchell Shire Council

Notes to the Financial Report for the year ended 30 June 2017

Note 6. Grants

\$ '000	Notes	Actual 2017	Actual 2016
Grants were received in respect of the following :			
Summary of grants			
Commonwealth funded grants		12,282	11,201
State funded grants		11,046	3,373
Total		23,328	14,574
Operating Grants			
Recurrent - Commonwealth Government			
Financial Assistance Grants		10,258	3,373
Regional and Local Community Infrastructure Grant		46	45
Department of Health		42	-
Australian Childhood Immunisation Register Grant		4	6
Recurrent - State Government			
Department of Human Services Grant		96	115
Victorian Roads Grant		48	116
Municipal Association of Victoria Grant		16	25
Department of Justice Grant		-	16
Department of Education and Early Childhood Development		2,567	2,096
State Emergency Service		-	29
Department of Transport Planning and Local Infrastructure		-	282
Department of Environment Land Water and Planning		349	-
Total Recurrent Operating Grants		13,426	6,103
Non-recurrent - Commonwealth Government			
Department of Social Services		45	-
Non-recurrent - State Government			
Department of Development, Business & Innovation		-	150
Department of Human Services Grant		190	145
Department of Justice Grant		14	9
Department of Treasury and Finance		-	(13)
Other Grant Income		148	28
Department of Education and Early Childhood Development		82	16
Regional Development Victoria Grant		14	-
Department of Social Services		-	45
Department of Economic Development, Jobs, Transports and Resources		38	38
Youth Affairs Council of Victoria		-	10
VicHealth		-	10
Department of Transport Planning and Local Infrastructure		33	93
Goulburn Broken Catchment Management Authority		5	-
Department of Premier and Cabinet		10	-
Victorian Roads Grant		91	-
Department of Environment Land Water and Planning		75	4
Sustainability Victoria		3	-
Total Non-Recurrent Operating Grants		748	535
Total Operating Grants		14,174	6,638

Mitchell Shire Council

Notes to the Financial Report for the year ended 30 June 2017

Note 6. Grants (continued)

\$ '000	Notes	Actual 2017	Actual 2016
Capital Grants			
Recurrent - Commonwealth Government			
Roads to Recovery		823	823
Recurrent - State Government			
Department of Environment Land Water and Planning		10	10
Total Recurrent Capital Grants		833	833
Non-recurrent - Commonwealth Government			
Department of Infrastructure		-	10
Department of Infrastructure and Regional Development		441	150
Roads to Recovery		623	1,528
Non-recurrent - State Government			
Department of Development, Business & Innovation		20	30
Department of Transport Planning and Local Infrastructure		-	1,449
Victorian Roads Grant		270	234
Department of Justice Grant		46	5
Department of Human Services		20	270
Country Fire Authority		-	14
Sustainability Victoria		-	211
Department of Environment Land Water and Planning		4,997	2,121
Department of Education and Early Childhood Development		1,233	1,000
Sports & Recreation Victoria Grant		167	-
Department of Economic Development, Jobs, Transports and Resources		42	-
Other		462	81
Total Non-Recurrent Capital Grants		8,321	7,103
Total Capital Grants		9,154	7,936
Conditions on Grants			
Grants recognised as revenue during the year that were obtained on condition that they be expended in a specified manner that had not occurred at balance date were:		5,681	4,048
Grants which were recognised as revenue in prior years and were expended during the current year in the manner specified by the grantor were:		4,199	592
Net Increase/(Decrease) in Restricted Assets Resulting from Grant Revenues for the Year:		1,482	3,456
Unspent Grants received on Condition that they be spent in a Specific Manner:			
Balance at start of year		4,837	1,381
Received during the financial year and remained unspent at balance date		5,681	4,048
Received in prior years and spent during the financial year		(4,199)	(592)
Balance at Year End		6,319	4,837

Mitchell Shire Council

Notes to the Financial Report
for the year ended 30 June 2017

Note 7. Contributions

\$ '000	Notes	Actual 2017	Actual 2016
Monetary Contributions			
Community Development		101	185
Recreational Land		118	248
Contributions to Infrastructure Works		1,342	445
Capital Works Project Contributions		389	220
Total Monetary Contributions		1,950	1,098
Non-Monetary Contributions			
Land Under Roads		348	422
Roads		3,152	1,992
Footpaths		1,117	679
Bridges		342	469
Drainage		2,510	1,717
Recreation		-	379
Furniture Open Spaces		-	8
Total Non-Monetary Contributions		7,469	5,666
Total Contributions		9,419	6,764
<i>Contributions of non monetary assets were received in relation to the following asset classes.</i>			
Land		348	422
Roads		3,152	1,992
Other Infrastructure		3,969	3,252
Total Non-Monetary Contributions		7,469	5,666

Note 8. Net Gain/(Loss) on Disposal of Property, Infrastructure,
Plant & Equipment

Land and Buildings			
Proceeds of Sale		634	-
Write Down Value of Assets Disposed		(763)	(83)
Total Net Gain/(Loss) on Disposal of Land and Buildings		(129)	(83)
Plant and Equipment			
Proceeds of Sale		468	408
Write Down Value of Assets Disposed		(246)	(329)
Total Net Gain/(Loss) on Disposal of Plant and Equipment		222	79
Infrastructure Assets			
Write Down Value of Assets Disposed		(321)	(200)
Total Net Gain/(Loss) on Disposal of Infrastructure Assets		(321)	(200)
Total Net Gain/(Loss) on Disposal of Property, Infrastructure, Plant & Equipment		(228)	(204)

Mitchell Shire Council

Notes to the Financial Report for the year ended 30 June 2017

Note 9. Other Income

\$ '000	Notes	Actual 2017	Actual 2016
Interest		461	383
Other Rent		238	226
Reimbursements		243	254
Fuel Rebate		203	13
Other		5	6
Total Other Income		1,150	882

Note 10 (a). Employee Costs

Wages & Salaries		17,251	18,058
Work Cover		341	496
Casual Staff		1,871	1,956
Superannuation	10(b)	1,733	1,719
Fringe Benefits Tax		295	293
Other		47	49
Total Employee Costs		21,538	22,571

Note 10 (b). Superannuation

Council made contributions to the following funds:

Defined Benefit Fund

Employer Contributions to Local Authorities Superannuation Fund (Vision Super)		95	113
		95	113

Accumulation Funds

Employer Contributions to Local Authorities Superannuation Fund (Vision Super)		1,200	1,177
Employer Contributions - Other Funds		438	429
		1,638	1,606
Total Superannuation Costs		1,733	1,719

Refer to Note 32 for further information relating to Council's superannuation obligations.

Council account for its obligations under the defined benefit fund as if it was a defined contribution plan. The reason for this is that the fund manager, Vision Super, is unable to provide accurate information to each employer in a timely manner.

Mitchell Shire Council

Notes to the Financial Report for the year ended 30 June 2017

Note 11. Materials & Services

\$ '000	Notes	Actual 2017	Actual 2016
Utilities		1,229	1,532
Information Technology		768	724
Insurance		507	345
Contractors and Consultants		10,689	10,131
Materials		2,036	1,291
Motor Vehicles		1,469	1,204
Lease Payments		231	241
Education and Training		357	358
HACC Services Contribution		-	273
General Expenses		1,672	1,334
Audit Fees		145	107
Total Materials & Services		19,103	17,540

Note 12. Bad & Doubtful Debts

Rates Debtors	3	-
Other Debtors	86	23
Total Bad & Doubtful Debts	89	23

Note 13. Depreciation & Amortisation

Property			
Heritage Buildings	3	3	
Buildings - Specialised	300	771	
Buildings - Non Specialised	923	2,641	
Building Improvements	119	122	
Total Depreciation & Amortisation - Property	1,345	3,537	
Plant & Equipment			
Library Books	248	248	
Plant and Machinery	707	710	
Motor Vehicles	534	616	
Equipment and Furniture	108	144	
IT Equipment	586	584	
Total Depreciation & Amortisation - Plant & Equipment	2,183	2,302	

Mitchell Shire Council

Notes to the Financial Report for the year ended 30 June 2017

Note 13. Depreciation & Amortisation (continued)

\$ '000	Notes	Actual 2017	Actual 2016
Infrastructure			
Roads		5,634	6,076
Bridges		506	455
Footways & Cycleways		633	758
Drainage		742	734
Recreational, Leisure & Community		748	472
Waste Management		482	444
Parks Open Spaces & Streetscapes		32	28
Other Infrastructure		49	49
Total Depreciation & Amortisation - Infrastructure		8,826	9,016
Total Depreciation & Amortisation		12,354	14,855

Refer to Note 22 for a more detailed breakdown of depreciation and amortisation charges

Note 14. Borrowing Costs

Interest - Borrowings	715	905
Total Borrowing Costs	715	905

Note 15. Other Expenses

Councillors' Allowances and Superannuation	288	290
Electronic Payment Fees	45	47
Bank Fees	75	77
Grants to Community Bodies	489	732
Landfill Levy	579	529
Other	9	9
Total Other Expenses	1,485	1,684

Mitchell Shire Council

Notes to the Financial Report for the year ended 30 June 2017

Note 16. Cash & Cash Equivalents

\$ '000	Notes	Actual 2017	Actual 2016
Current			
Cash at Bank and on Hand		6,538	4,355
Term Deposits		4,000	5,500
Total Current Cash & Cash Equivalents		10,538	9,855
External Restrictions			
Councils cash and cash equivalents are subject to external restrictions that limit amounts available for discretionary use. These include:			
Trust Funds & Deposits	24	2,826	3,140
Reserve funds and deposits	27	5,892	4,331
Total Restricted Funds		8,718	7,471
Total Unrestricted Cash & Cash Equivalents		1,820	2,384
Intended Allocations			
Although not externally restricted the following amounts have been allocated for specific future purposes by Council:			
Cash Held to Fund Carried Forward Capital Works		1,592	5,638
Unspent Capital Grants received in advance for 2017/18 capital works		6,001	511
Unspent Grants (operating)		332	398
Council contributions relating to unspent grant projects		85	74
Cash held to fund strategic planning projects carried forward		104	272
Waste Reserve		7,067	5,719
Total Funds Subject to Intended Allocations *		15,182	12,612

**Mitchell Shire Council holds financial assets that are highly liquid in nature and sufficient to cover cash restrictions. As at 30 June 2017, Mitchell Shire Council held \$24M in Financial Assets (2016: \$10 million) - Refer Note 17.*

Note 17. Other Financial Assets

Current			
Term Deposits		24,063	10,000
Total Other Financial Assets		24,063	10,000
Non-Current			
Municipal Association Purchasing Scheme		5	5
Total Other Financial Assets		5	5

Mitchell Shire Council

Notes to the Financial Report for the year ended 30 June 2017

Note 18. Trade & Other Receivables

\$ '000	Notes	Actual 2017	Actual 2016
Current			
<i>Statutory Receivables</i>			
Rates Debtors		3,953	4,105
Goods and Service Tax Paid		853	1,083
<i>Non-Statutory Receivables</i>			
Car Park and Footpath Schemes		-	2
Sundry Receivables		2,821	3,104
Provisions for Doubtful Debts			
Provision for Doubtful Debts - Other Debtors		(238)	(215)
Total Current Trade & Other Receivables		7,389	8,079
Non-Current			
<i>Non-Statutory Receivables</i>			
Car Park and Footpath Schemes		25	23
Total Non-Current Trade & Other Receivables		25	23
Total Trade & Other Receivables		7,414	8,102

a) Ageing of Receivables

At balance date other debtors representing financial assets were past due but not impaired. The ageing of the Council's trade & other receivables (excluding statutory receivables) was:

Current (not yet due)	1,956	2,358
Past due by up to 30 days	226	291
Past due between 31 and 180 days	208	134
Past due between 181 and 365 days	66	39
Past due by more than 1 year	127	67
Total Trade & Other Receivables	2,583	2,889

b) Movement in Provisions for Doubtful Debts

Balance at the beginning of the year	215	246
New Provisions recognised during the year	86	-
Amounts already provided for and written off as uncollectible	(63)	(31)
Balance at End of Year	238	215

Mitchell Shire Council

Notes to the Financial Report for the year ended 30 June 2017

Note 18. Trade & Other Receivables (continued)

\$ '000	Notes	Actual 2017	Actual 2016
c) Ageing of Individually Impaired Receivables			
The ageing of receivables that have been individually determined as impaired at reporting date was:			
Current (not yet due)		-	-
Past due by up to 30 days		-	-
Past due between 31 and 180 days		16	55
Past due between 181 and 365 days		98	34
Past due by more than 1 year		124	126
Total Trade & Other Receivables		238	215

Note 19. Inventories

Current			
Inventories Held for Sale		18	29
Inventories Held for Own Use		94	121
Total Inventories		112	150

Note 20. Non Current Assets Classified as Held for Sale

Current			
Fair value of assets		-	512
Total Non Current Assets Classified as Held for Resale		-	512

Mitchell Shire Council

Notes to the Financial Report for the year ended 30 June 2017

Note 21. Other Assets

\$ '000	Notes	Actual 2017	Actual 2016
Current			
Prepayments		680	661
Total Other Assets		680	661

Note 22. Property, Infrastructure, Plant & Equipment

\$ '000							
Summary of Property, Infrastructure, Plant & Equipment							
\$ '000	At Fair Value 30 June 2016	Acquisitions	Contributions	Revaluation	Depreciation	Disposal / Transfers	At Fair Value 30 June 2017
Land	37,783	5,538	348	-	-	-	43,669
Buildings	73,911	4,411	-	(8,703)	(1,345)	(251)	68,023
Plant & Equipment	7,208	2,963	-	-	(2,183)	(247)	7,741
Infrastructure	318,755	9,104	7,121	4,885	(8,826)	(320)	330,719
Work In Progress	5,906	2,406	-	-	-	(5,462)	2,850
	443,563	24,422	7,469	(3,818)	(12,354)	(6,280)	453,002

Summary of Work In Progress

\$ '000	Opening WIP	Additions	Transfers	Expensed	Closing WIP
Buildings	606	48	606	-	48
Plant & Equipment	60	108	31	-	136
Infrastructure	5,240	2,250	3,935	889	2,666
Total	5,906	2,406	4,573	889	2,850

Refer to the following pages for details relating to Council's Property, Infrastructure, Plant & Equipment.

Mitchell Shire Council

Notes to the Financial Report
for the year ended 30 June 2017

Note 22. Property, Infrastructure, Plant & Equipment (continued)

Land & Buildings		Land	Land Under Roads	Total Land	Heritage Buildings	Buildings - Specialised	Buildings - Non Specialised	Building Improvements	Total Buildings	Work In Progress	Total Work In Progress	Total Property
\$ '000	Note											
At Fair Value 1 July 2016		33,492	4,291	37,783	239	31,729	77,102	2,485	111,555	606	606	149,944
Accumulated Depreciation at 1 July 2016		-	-	-	(136)	(10,205)	(26,538)	(765)	(37,644)	-	-	(37,644)
Carrying Value - 1 July 2016		33,492	4,291	37,783	103	21,524	50,564	1,720	73,911	606	606	112,300
Movements in Fair Value												
Acquisition of Assets at Fair Value		5,538	-	5,538	-	102	3,621	82	3,805	48	48	9,390
Contributed Assets		-	348	348	-	-	-	-	-	-	-	348
Revaluation Increments/(Decrements)		-	-	-	17	1,580	3,672	-	5,269	-	-	5,269
Fair Value of Assets Disposed		-	-	-	-	-	(643)	-	(643)	-	-	(643)
Transfers		-	-	-	-	-	606	-	606	(606)	(606)	-
Total Movements in Fair Value		5,538	348	5,886	17	1,682	7,256	82	9,037	(558)	(558)	14,365
Movements in Accumulated Depreciation												
Depreciation and Amortisation		-	-	-	(3)	(300)	(923)	(119)	(1,345)	-	-	(1,345)
Accumulated Depreciation of Disposals		-	-	-	-	-	392	-	392	-	-	392
Revaluation Increments/(Decrements)		-	-	-	29	(2,440)	(11,561)	-	(13,972)	-	-	(13,972)
Total Movements in Accumulated Depreciation		-	-	-	26	(2,740)	(12,092)	(119)	(14,925)	-	-	(14,925)
At Fair Value 30 June 2017		39,030	4,639	43,669	256	33,411	84,358	2,567	120,592	48	48	164,309
Accumulated Depreciation at 30 June 2017		-	-	-	(110)	(12,945)	(38,630)	(884)	(52,569)	-	-	(52,569)
Carrying Value - 30 June 2017		39,030	4,639	43,669	146	20,466	45,728	1,683	68,023	48	48	111,740

Mitchell Shire Council

Notes to the Financial Report
for the year ended 30 June 2017

Note 22. Property, Infrastructure, Plant & Equipment (continued)

Plant & Equipment		Library Books	Plant and Machinery	Motor Vehicles	Equipment and Furniture	IT Equipment	Work In Progress	Total Plant & Equipment
\$ '000	Note							
At Fair Value 1 July 2016		2,623	6,968	2,657	2,772	4,302	60	19,382
Accumulated Depreciation at 1 July 2016		(1,783)	(3,399)	(1,272)	(2,388)	(3,272)	-	(12,114)
Carrying Value - 1 July 2016		840	3,569	1,385	384	1,030	60	7,268
Movements in Fair Value								
Acquisition of Assets at Fair Value		160	1,190	790	180	612	108	3,040
Fair Value of Assets Disposed		-	(308)	(719)	-	-	-	(1,027)
Transfers		-	-	-	-	31	(31)	-
Total Movements in Fair Value		160	882	71	180	644	76	2,013
Movements in Accumulated Depreciation								
Depreciation and Amortisation		(248)	(707)	(534)	(108)	(586)	-	(2,183)
Accumulated Depreciation of Disposals		-	213	568	-	-	-	781
Total Movements in Accumulated Depreciation		(248)	(494)	34	(108)	(586)	-	(1,402)
At Fair Value 30 June 2017		2,783	7,850	2,728	2,952	4,946	136	21,395
Accumulated Depreciation at 30 June 2017		(2,031)	(3,893)	(1,238)	(2,496)	(3,858)	-	(13,516)
Carrying Value - 30 June 2017		752	3,957	1,490	456	1,088	136	7,879

Mitchell Shire Council

Notes to the Financial Report
for the year ended 30 June 2017

Note 22. Property, Infrastructure, Plant & Equipment (continued)

Infrastructure		Roads	Bridges	Footways & Cycleways	Drainage	Recreational, Leisure & Community	Waste Management	Parks Open Spaces & Streetscapes	Other Infrastructure	Work In Progress	Total Infrastructure
\$ '000	Note										
At Fair Value 1 July 2016		258,562	47,414	32,057	58,747	14,621	13,349	1,914	602	5,240	432,506
Accumulated Depreciation at 1 July 2016		(54,317)	(18,803)	(13,294)	(12,570)	(6,779)	(2,259)	(332)	(157)	-	(108,511)
Carrying Value - 1 July 2016		204,245	28,611	18,763	46,178	7,842	11,090	1,582	445	5,240	323,995
Movements in Fair Value											
Acquisition of Assets at Fair Value		1,270	923	937	538	982	406	106	8	2,250	7,419
Contributed Assets		3,152	342	1,117	2,510	-	-	-	-	-	7,121
Revaluation Increments/(Decrements)		-	11,904	-	-	1,505	-	-	-	-	13,409
Fair Value of Assets Disposed		(51)	(481)	(49)	(8)	(1,027)	-	(3)	-	-	(1,618)
Writeoff of work in progress assets		-	-	-	-	-	-	-	-	(889)	(889)
Transfers		1,705	271	143	-	1,815	1	-	-	(3,935)	-
Total Movements in Fair Value		6,076	12,959	2,148	3,040	3,274	407	103	8	(2,574)	25,441
Movements in Accumulated Depreciation											
Depreciation and Amortisation		(5,634)	(506)	(633)	(742)	(748)	(482)	(32)	(49)	-	(8,826)
Accumulated Depreciation of Disposals		6	291	32	1	968	-	0	-	-	1,298
Revaluation Increments/(Decrements)		-	(8,376)	-	-	(148)	-	-	-	-	(8,524)
Total Movements in Accumulated Depreciation		(5,628)	(8,591)	(601)	(741)	72	(482)	(32)	(49)	-	(16,052)
At Fair Value 30 June 2017		264,638	60,373	34,205	61,787	17,895	13,756	2,017	610	2,666	457,947
Accumulated Depreciation at 30 June 2017		(59,945)	(27,394)	(13,895)	(13,311)	(6,707)	(2,741)	(364)	(206)	-	(124,563)
Carrying Value - 30 June 2017		204,693	32,979	20,310	48,476	11,188	11,015	1,653	404	2,666	333,384

Mitchell Shire Council

Notes to the Financial Report

for the year ended 30 June 2017

Note 22. Property, Infrastructure, Plant & Equipment (continued)

\$ '000

Valuation of Land and Buildings

Valuation of land and buildings were undertaken by a qualified independent valuer (PW Newman, API 62050 at 30 June 2016). The valuation of land and buildings is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Where land use is restricted through existing planning provisions the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

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

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

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

	Level 1	Level 2	Level 3
Land	-	39,030	-
Specialised Land	-	-	4,639
Specialised Buildings	-	-	20,466
Heritage Buildings	-	146	-
Buildings	-	45,728	-
Building Improvements	-	1,683	-
Total	-	86,587	25,105

Valuation of Infrastructure

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

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

	Level 1	Level 2	Level 3
Roads	-	-	204,693
Bridges	-	-	32,979
Footpaths & Cycleways	-	-	20,310
Drainage	-	-	48,476
Recreational, Leisure & Community Facilities	-	-	11,188
Waste Management	-	-	11,015
Parks, Open Space & Streetscapes	-	-	1,653
Other Infrastructure	-	-	404
Total	-	-	330,718

Mitchell Shire Council

Notes to the Financial Report for the year ended 30 June 2017

Note 22. Property, Infrastructure, Plant & Equipment (continued)

\$ '000

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. Currently land values are \$4 per square metre.

Infrastructure assets are valued based on the depreciated replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives of infrastructure. The remaining useful lives of infrastructure assets are determined on the basis of the current condition of the asset and vary from 5 years to 200 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.

\$ '000	Notes	Actual 2017	Actual 2016
Reconciliation of Specialised Land			
Land under Roads		4,639	4,291
Total Specialised Land		4,639	4,291

Note 23. Trade & Other Payables

Current

Trade Payables	4,694	4,868
Accrued Interest	22	53
Accrued Salaries and Wages	788	688
Total Trade & Other Payables	5,504	5,609

Note 24. Trust Funds & Deposits

Current

Fire Services Levy	531	1,023
Refundable Crossing Deposits	104	88
Refundable Contract Retentions	115	105
Refundable Developer Bonds	1,296	1,407
Other Refundable Deposits	272	517
Town Planning Deposits	255	-
Deposits in lieu of Bank Guarantee	153	-
Non Standard Lighting Deposits	101	-
Total Trust Funds & Deposits	2,826	3,140

Mitchell Shire Council

Notes to the Financial Report for the year ended 30 June 2017

Note 24. Trust Funds & Deposits (continued)

\$ '000

Purpose and Nature of Items

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

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.

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

Note 25. Provisions

\$ '000	Employee Provisions	Landfill Restoration	Other	Total
2017				
Balance at the Beginning of the Financial Year	3,892	6,951	-	10,843
Adjustment to Provisions	1,538	25	-	1,563
Amounts Used	(1,892)	(406)	-	(2,298)
Balance at the End of the Financial Year	3,538	6,570	-	10,108
2016				
Balance at the Beginning of the Financial Year	3,960	8,604	-	12,564
Adjustment to Provisions	1,589	(1,086)	-	503
Amounts Used	(1,657)	(567)	-	(2,224)
Balance at the End of the Financial Year	3,892	6,951	-	10,844

Mitchell Shire Council

Notes to the Financial Report
for the year ended 30 June 2017

Note 25. Provisions (continued)

\$ '000	Notes	Actual 2017	Actual 2016
(a) Employee Provisions			
Current Provisions Expected to be wholly Settled within 12 Months			
Annual Leave		1,286	1,078
Long Service Leave		387	305
		1,673	1,383
Current Provisions Expected to be wholly Settled after 12 Months			
Annual Leave		32	365
Long Service Leave		1,363	1,636
		1,395	2,001
Total Current Employee Provisions		3,068	3,384
Non-Current			
Long Service Leave		470	508
Total Non-Current Employee Provisions		470	508
Aggregate Carrying Amount of Employee Provisions:			
Current		3,068	3,384
Non-Current		470	508
Total Aggregate Carrying Amount of Employee Provisions		3,538	3,892
(b) Land Fill Restoration			
Current			
Current		3,581	2,000
		3,581	2,000
Non-Current			
Non-Current		2,990	4,952
		2,990	4,952
Total Carrying Amount of Landfill Restoration		6,571	6,952
The following assumptions were adopted in measuring the present value of landfill rehabilitation:			
Total Provisions			
Current		6,649	5,384
Non-Current		3460	5,460
		10,109	10,844

Mitchell Shire Council

Notes to the Financial Report

for the year ended 30 June 2017

Note 25. Provisions (continued)

\$ '000

Under legislation, Council is obligated to restore landfill sites to a particular standard. Current engineering projections indicate that the landfill sites will cease operation in 2023 and restoration work will commence progressively during the life of the landfill. The forecast life of the landfill sites is based on current estimates of remaining capacity and the forecast rate of landfill. 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 and budgeted costs for that work. Accordingly, the estimation of the provision required is dependent on the accuracy of the forecast, timing of the work, work required and related costs.

Council does not expect to receive reimbursement from a third party for the rehabilitation of the landfills within Mitchell Shire. Funds are progressively set aside in the Waste Management Reserve for the purpose of rehabilitation and aftercare of the landfills.

Refer to Note 1(r) for further details in regards to this provision.

Note 26. Interest-Bearing Loans & Borrowings

\$ '000

Notes

2017

2016

Current

Borrowings - Secured	1,647	1,268
	1,647	1,268

Non-Current

Borrowings - Secured	15,956	12,246
	15,956	12,246

Total Interest-Bearing Loans & Borrowings

17,603 **13,514**

a) The Maturity Profile for Council's Borrowings is:

Not later than one year	1,647	1,268
Later than one year and not later than five years	7,356	4,936
Later than five years	8,600	7,310
	17,603	13,514

Mitchell Shire Council

Notes to the Financial Report
for the year ended 30 June 2017

Note 27. Reserves

\$ '000	Balance at Beginning of Reporting Period	Increment (Decrement)	Balance at End of Reporting Period
(a) Asset Revaluation Reserves			
2017			
Property			
Land - Specialised	17,501	-	17,501
Buildings	51,089	(8,704)	42,385
Plant and Machinery	927	-	927
	69,517	(8,704)	60,813
Infrastructure			
Roads	56,850	-	56,850
Bridges	747	3,528	4,275
Footpaths & Cycleways	947	-	947
Drainage	4,527	-	4,527
Waste Management	237	-	237
Other Infrastructure	83,818	1,357	85,175
	147,126	4,885	152,011
Total Asset Revaluation Reserves	216,643	(3,819)	212,824
2016			
Property			
Land - Specialised	17,501	-	17,501
Buildings	50,768	321	51,089
Plant and Machinery	927	-	927
	69,196	321	69,517
Infrastructure			
Roads	56,485	365	56,850
Bridges	747	-	747
Footpaths & Cycleways	947	-	947
Drainage	4,527	-	4,527
Waste Management	237	-	237
Other Infrastructure	83,818	-	83,818
	146,761	365	147,126
Total Asset Revaluation Reserves	215,957	686	216,643

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

Mitchell Shire Council

Notes to the Financial Report
for the year ended 30 June 2017

Note 27. Reserves (continued)

\$ '000	Balance at Beginning of Reporting Period	Transfer from Accumulated Surplus	Transfer to Accumulated Surplus	Balance at End of Reporting Period
(b) Other Reserves				
2017				
Restricted Reserves				
Recreational Land	2,127	1,446	-	3,573
Community Development	2,135	101	-	2,236
Car Park	1	-	-	1
Roads Infrastructure	-	14	-	14
Subdivision Development	68	-	-	68
Total Restricted Reserves	4,331	1,561	-	5,892
Discretionary Reserves				
Waste Management	5,719	1,348	-	7,067
Property Proceeds	-	113	-	113
Total Discretionary Reserves	5,719	1,461	-	7,180
Total Other Reserves	10,050	3,022	-	13,072
2016				
Restricted Reserves				
Recreational Land	1,434	693	-	2,127
Community Development	1,950	185	-	2,135
Car Park	1	-	-	1
Subdivision Development	68	-	-	68
Total Restricted Reserves	3,453	878	-	4,331
Discretionary Reserves				
Waste Management	7,727	1,591	(3,599)	5,719
Property Proceeds	1,034	-	(1,034)	-
Total Discretionary Reserves	8,761	1,591	(4,633)	5,719
Total Other Reserves	12,214	2,469	(4,633)	10,050

Mitchell Shire Council

Notes to the Financial Report for the year ended 30 June 2017

Note 28. Reconciliations of Cash Flows from Operating Activities

\$ '000	Notes	Actual 2017	Actual 2016
Surplus/(Deficit) for the Year		23,851	6,950
Depreciation/Amortisation		12,354	14,855
Profit/(Loss) on Disposal of Property, Infrastructure, Plant & Equipment		228	204
Contributions - Non-monetary Assets		(7,469)	(5,666)
Borrowing Costs		715	905
Change in Assets & Liabilities:			
(Increase)/Decrease in Trade & Other Receivables		688	(1,138)
(Increase)/Decrease in Inventories		38	(20)
(Increase)/Decrease in Prepayments		(19)	(439)
Increase/(Decrease) in Trade & Other Payables		(105)	1,990
Increase/(Decrease) in Provisions		(735)	(1,720)
(Decrease)/Increase in Other Liabilities		(314)	1,620
Net Cash Provided by/(used in) Operating Activities		29,232	17,541

Note 29. Reconciliations of Cash & Cash Equivalents

Cash & Cash Equivalents	16	10,538	9,855
		10,538	9,855

Mitchell Shire Council

Notes to the Financial Report for the year ended 30 June 2017

Note 30. Commitments

\$ '000	Not later than 1 year	Later than 1 year & not later than 2 years	Later than 2 years & not later than 5 years	Later than 5 years	Total
2017					
Operating					
Waste Collection and Garbage	2,300	2,300	6,900	3,833	15,333
Street Cleaning Services	179	185	-	-	364
Cleaning of Council Buildings	390	194	-	-	584
Internal Audit Services	67	69	71	-	207
Aquatic Plant Maintenance	11	5	-	-	16
Mechanical Services	40	-	-	-	40
Environmental Health Service	385	-	-	-	385
Security Patrols	68	-	-	-	68
Banking Services	90	-	-	-	90
e-Tendering	5	-	-	-	5
Essential Services	37	18	-	-	55
Road and Pathway Line Marking	50	-	-	-	50
Total	3,622	2,771	6,971	3,833	17,197
Capital					
Construction Works	6,717	-	-	-	6,717
Total	6,717	-	-	-	6,717
2016					
Operating					
Waste Collection and Garbage	2,300	2,300	6,900	6,900	18,400
Street Cleaning Services	53	-	-	-	53
Cleaning of Council Buildings	390	390	194	-	974
Internal Audit Services	74	-	-	-	74
Aquatic Plant Maintenance	11	11	5	-	27
Mechanical Services	38	-	-	-	38
Environmental Health Service	369	385	-	-	754
Security Patrols	68	68	-	-	136
Banking Services	138	138	-	-	276
e-Tendering	5	5	-	-	10
Seymour Structure Plan	189	-	-	-	189
Future Development Planning	38	-	-	-	38
Essential Services	37	37	18	-	92
Total	3,710	3,334	7,117	6,900	21,061
Capital					
Construction Works	4,168	-	-	-	4,168
Total	4,168	-	-	-	4,168

Mitchell Shire Council

Notes to the Financial Report for the year ended 30 June 2017

Note 31. Operating Leases

\$ '000	Notes	Actual 2017	Actual 2016
(a) Operating Lease Commitments			
At the reporting date, the Council had the following obligations under non-cancellable operating leases for the lease of equipment and land and buildings for use within Council's activities (these obligations are not recognised as liabilities):			
Not later than one year		266	243
Later than one year & not later than five years		340	568
Later than five years		27	57
		633	868

(b) Operating Lease Receivables

The Council has entered into commercial property leases on its investment property, consisting of surplus freehold office complexes. These properties held under operating leases have remaining non-cancellable lease terms of between 1 and 10 years. All leases include a CPI based revision of the rental charge annually.

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

Not later than one year		139	145
Later than one year & not later than five years		151	224
Later than five years		115	141
		406	510

Mitchell Shire Council

Notes to the Financial Report

for the year ended 30 June 2017

Note 32. Superannuation

\$ '000

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

Accumulation

The Fund's accumulation categories, Vision MySuper/Vision Super Saver, receive both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2017, this was 9.5% as required under Superannuation Guarantee legislation).

Defined Benefit

Mitchell Shire Council does not use defined benefit accounting for its defined benefit obligations under 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 Mitchell Shire Council in the Fund cannot be measured as a percentage compared with other participating employers. Therefore, the Fund Actuary is unable to allocate benefit liabilities, assets and costs between employers for the purposes of AASB 119.

Funding Arrangements

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

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

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

Vision Super has advised that the estimated VBI at March 2017 was 106.6%

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

Mitchell Shire Council

Notes to the Financial Report

for the year ended 30 June 2017

Note 32. Superannuation (continued)

\$ '000

Employer Contributions

Regular Contributions

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

Funding Calls

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

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

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

2016 Interim Actuarial Investigation Surplus Amounts

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

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

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

Mitchell Shire Council

Notes to the Financial Report for the year ended 30 June 2017

Note 32. Superannuation (continued)

\$ '000

Superannuation contributions

Contributions by Mitchell Shire Council (excluding any unfunded liability payments) to the above superannuation plans for the financial year ended 30 June 2017 are detailed below:

\$ '000	Scheme	Type of Scheme	Rate	Actual 2017	Actual 2016
	Vision Super	Defined benefits	9.5%	95	113
	Vision Super	Accumulation	9.5%	1,200	1,177
	Other Funds	Accumulation	9.5%	438	429
				Total	
				<u>1,733</u>	<u>1,719</u>

There were no contributions outstanding and no loans issued from or to the above schemes as at 30 June 2017.

2017 Full triennial actuarial investigation

The review of the June 2017 VBI for the Local Authorities Superannuation Fund (LASF) Defined Benefit (DB) plan has been completed and the Vision Super Board has approved the early release of this VBI to assist sponsoring employers with their reporting obligations. Please note that the Fund Actuary has not finalised his 2017 annual review and, while this VBI number is unlikely to change, it is subject to the finalisation of the Fund Actuary's 2017 report.

As at 30 June 2017, the VBI for the sub-plan was 103.1%.

Future Superannuation Contributions

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2018 are \$61,545

Mitchell Shire Council

Notes to the Financial Report

for the year ended 30 June 2017

Note 33. Contingent Liabilities & Contingent Assets

\$ '000

Contingent Liabilities

Mitchell Shire Council has obligations under a defined benefit superannuation scheme that may result in the need to make additional contributions to the scheme, matters relating to this potential obligation are outlined in Note 33.

As a result of the volatility in financial markets the likelihood of making such contributions in future periods exists. At this point in time it is not known if additional contributions will be required, their timing or potential amount.

Mitchell Shire Council operates a landfill. Mitchell Shire Council will have to carry out site rehabilitation works in the future. At balance date Mitchell Shire Council is unable to accurately assess the financial implications of such works.

Financial Assurance for Landfill Rehabilitation

Mitchell Shire Council is required by the Environment Protection Authority to provide financial assurances in respect of landfill sites which it operates. The financial assurance has three components, being Remedial Action, Rehabilitation and Aftercare. The value of the Rehabilitation component has been recognised as a provision in the financial report, in accordance with Note 1(r). Remedial Action and After Care are regarded as contingent amounts only.

(a) Remedial Action relates to works required to address pollution both during and after the closure of the landfill sites. Remedial action relates to a future event of indeterminate probability, and is therefore treated under accounting standard AASB 137 Provisions, Contingent Liabilities and Contingent Assets as a contingent liability.

(b) Aftercare relates to the care of the landfill after rehabilitation. This could be ongoing for a period of up to 30 years. The annual aftercare costs will be included in the annual operating budget for Waste management facilities.

Loan Guarantee

During the financial year, Mitchell Shire Council entered into a guarantor agreement with the Bendigo Bank for a loan that the Wallan Bowling Club has drawn down. This was for the installation of a synthetic bowling green for which the Wallan Bowling Club also received a grant from the Community Sports Infrastructure Fund 2016-2017 and provided their own contribution, along with the loan. The guarantee is for \$60,000 for a period of ten years, subject to the Wallan Bowling Club satisfactorily meeting the loan guarantee criteria and reporting obligations as set out in the guarantee agreement. At the date of this report, the possible obligation to Mitchell Shire Council under the guarantee is not considered probable hence, as such is reported as a contingent liability under AASB 137 under AASB 137 Provisions, Contingent Liabilities and Contingent Assets.

Mitchell Shire Council

Notes to the Financial Report for the year ended 30 June 2017

Note 34. Financial Instruments

\$ '000

(a) Objectives & Policies

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

(b) Market Risk

Market risk is the risk that the fair value or future cash flows of Council financial instruments will fluctuate because of changes in market prices. The Council's exposures to market risk is primarily through interest rate risk with only insignificant exposure to other price risks and no exposure to foreign currency risk.

Interest Rate Risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Council's interest rate liability risk arises primarily from long term loans and borrowings at fixed rates which exposes Council to fair value interest rate risk / Council does not hold any interest bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Council has minimal exposure to cash flow interest rate risk through its cash and deposits that are at floating rates.

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

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

There has been no significant change in the Council's exposure, or its objectives, policies and processes for managing interest rate risk or the methods used to measure this risk from the previous reporting period.

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

Mitchell Shire Council

Notes to the Financial Report

for the year ended 30 June 2017

Note 34. Financial Instruments (continued)

\$ '000

(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 the balance sheet. To help manage this risk:

- Council has a policy for establishing credit limits for the entities Council deals with;
- Council may require collateral where appropriate; and
- Council only invests surplus funds with financial institutions which have a recognised credit rating specified in Council's investment policy.

Receivables consist of a large number of customers, spread across the ratepayer, business and government sectors. Credit risk associated with the Council's financial assets is minimal because the main debtor is secured by a charge over the rateable property.

There are no material financial assets which are individually determined to be impaired.

Council may also be subject to credit risk for transactions which are not included in the balance sheet, such as when Council provides a guarantee for another party. Details of our contingent liabilities are disclosed in Note 34.

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

(d) Liquidity Risk

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

To help reduce these risks Council:

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

The Council's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed on the face of the balance sheet and the amounts related to financial guarantees disclosed in Note 34, and is deemed insignificant based on prior periods' data and current assessment of risk.

There are no material financial assets which are individually determined to be impaired.

Mitchell Shire Council

Notes to the Financial Report for the year ended 30 June 2017

Note 34. Financial Instruments (continued)

\$ '000

(d) Liquidity Risk (continued)

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 26.

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

(e) Fair Value

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

Fair Value Hierarchy

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

(f) Sensitivity Disclosure Analysis

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

- A parallel shift of + 0.5% and -0.5% in market interest rates (AUD) from year-end rates of 2.50 - 2.70%.

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.

Mitchell Shire Council

Notes to the Financial Report

for the year ended 30 June 2017

Note 35. Related Party Transactions

\$ '000	Actual 2017
(i) Related Parties	
<i>Parent entity</i>	
Mitchell Shire Council is the parent entity.	
(ii) Key Management Personnel	
Details of persons holding the position of Councillor or other members of key management personnel at any time during the year are:	
Councillors	
R Sanderson	(Mayor from 2 Nov 2016)
R Lee	(to 21 Oct 2016)
R Parker	(to 21 Oct 2016)
B Melbourne	(to 21 Oct 2016)
B Chisholm	
K Mulroney	(to 21 Oct 2016)
S Marstaellar	(Mayor to 21 Oct 2016)
B Cornish	
D Callaghan	(to 21 Oct 2016)
D Atkinson	(elected 2 Nov 2016)
R Eldridge	(elected 2 Nov 2016)
A Goble	(elected 2 Nov 2016)
B Humm	(elected 2 Nov 2016)
D Lowe	(elected 2 Nov 2016)
F Stevens	(elected 2 Nov 2016)
Total Number of Councillors	15
Chief Executive Officer	D Turnbull
Director	J Saker
Director	L Ellis
Director	T Heeney (to 24 February 2017)
Acting Director	K Vise (Appointed 25 February 2017)
Total Number of Key Management Personnel	<u>20</u>

Mitchell Shire Council

Notes to the Financial Report for the year ended 30 June 2017

Note 35. Related Party Transactions (continued)

\$ '000	Actual 2017
(iii) Remuneration of Key Management Personnel	
Total remuneration of key management personnel was as follows:	
Short-term benefits	1,315
Long-term benefits	109
Termination benefits	81
Total	1,505

The remuneration of key management personnel is higher in 2017 due to the changes in the definition of key management personnel per AASB 124

The numbers of key management personnel whose total remuneration from Council and any related entities, fall within the following bands:

	2017 No.
\$1 - \$9,999	5
\$10,000 - \$19,999	1
\$20,000 - \$29,999	8
\$40,000 - \$49,999	-
\$60,000 - \$69,999	1
\$110,000 - \$119,999	1
\$200,000 - \$209,999	1
\$240,000 - \$249,999	1
\$260,000 - \$269,999	-
\$320,000 - \$329,999	1
\$340,000 - \$349,999	1
	20

Mitchell Shire Council

Notes to the Financial Report for the year ended 30 June 2017

Note 35. Related Party Transactions (continued)

\$ '000

(iv) Transactions with Related Parties

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

- Grant contributions received from Norcen Financial Services Limited (Wallan and District Community Bank, branch of Bendigo Bank) for Hadfield Park Playspace of \$444,000 – Related to Cr Sue Marstaeller (Councillor during the year and a director of Norcen Financial Services Limited).
- Nexus Primary Health, total payments of \$37,603 of which \$34,382 relates to Outgoings and Lease Fees and \$3,221 related to Staff Member Secondment – Related to Cr Des Callaghan (Councillor during the year and Director of Nexus Primary Health).
- Australian Local Government Women's Association, \$690 in Membership Fees – Related to Cr Rhonda Sanderson (Secretary of the North East Branch of Australian Local Government Women's Association).
- Broadford Living and Learning Centre (formerly Broadford Community Centre Inc, an amount of \$500 paid for School Holiday Movie program – Related to Cr Annie Goble as member of Steering Committee. Also related to Cr Sue Marstaeller, Cr Ross Lee, Cr Bill Melbourne (in their role as Councillors during the year).

(v) Outstanding Balances with Related Parties

There are no outstanding balances with any of the abovementioned related parties as at 30 June 2017.

(vi) Loans to/from Related Parties

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

(vii) Commitments to/from Related Parties

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

Mitchell Shire Council

Notes to the Financial Report for the year ended 30 June 2017

Note 36. Senior Officers Remuneration

\$ '000	Actual 2017	Actual 2016
<p>A Senior Officer is an officer of Council, other than Key Management Personnel, who:</p> <p>a) has management responsibilities and reports directly to the Chief Executive; or</p> <p>b) whose total annual remuneration exceeds \$142,000 (2016: \$139,000)</p>		
<p>The number of Senior Officers are shown below in their relevant income bands:</p>		
Income Range:	Actual 2017	Actual 2016
\$136,000 - \$139,999	-	2
\$140,000 - \$149,999	-	1
\$150,000 - \$159,999	8	3
\$160,000 - \$169,999	-	1
\$170,000 - \$179,999	-	2
	8	9
Total Remuneration for the reporting year for Senior Officers included above amounted to:	\$ '000 1,185	\$ '000 1,475

Note 37. Events Occurring After Balance Date

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

Mitchell Shire Council

Notes to the Financial Report for the year ended 30 June 2017

Note 38. Prior Period Errors

As at 30 June 2017, Council identified the following errors relating to prior periods:

\$ '000	Fair Value 2017	Acc. Dep'n 2017
-Recognition of Bridge Assets existing as at 30 June 2015 but previously not recorded	7,014	(2,140)
-Depreciation on Bridge Assets not previously recorded	(123)	-
-Write off of Recreation, Leisure and Community Assets that no longer exist	(5,671)	1,630

As a result of the errors identified above, the Opening Balances for the affected line items have been restated as follows:

	2017
-Property, Infrastructure, Plant and Equipment have been increased by	833
-Accumulated Surplus has been increased by	833

The impact of these errors has been reflected in the restated balances as detailed below.

Financial Report Line item/Balance affected \$ '000	Notes	Actual 1/07/2015	Correction	Restated 1/07/2015
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Reconciliation of Restated Comparatives

Affected Balance Sheet lines as at 1st July 2015

Non-Current Assets

Bridges - Fair Value as at 1 July 2015	22	42,140	7,014	49,154
Bridges - Accumulated Depreciation as at 1 July 2015	22	(19,260)	(2,140)	(21,400)
		<u>22,880</u>	<u>4,874</u>	<u>27,754</u>
Recreation Leisure and Community - Fair Value as at 1 July 2015	22	19,866	(5,671)	14,195
Recreation Leisure and Community - Accumulated Depreciation as at 1 July 2015	22	(7,917)	1,630	(6,287)
		<u>11,949</u>	<u>(4,041)</u>	<u>7,908</u>
Total Assets as at 1st July 2015		465,577	833	466,410
Net Assets as at 1st July 2015		431,272	833	432,105
Equity				
Accumulated Surplus as at 1 July 2015		203,101	833	203,934

Mitchell Shire Council

Notes to the Financial Report for the year ended 30 June 2017

Note 38. Prior Period Errors (continued)

\$ '000		Actual 2016	Corrections	Restated 2016
<u>Affected Comprehensive Income lines as at 30 June 2016</u>				
Depreciation Expense as at 30 June 2016				
Bridges	13	332	123	455
Net Surplus/Deficit		7,073	(123)	6,950
Total Comprehensive Income		7,759	(123)	7,636
<u>Affected Balance Sheet lines as at 30 June 2016</u>				
Non-Current Assets				
Restated Bridges - Fair Value	22	39,688	7,014	46,702
Restated Bridges - Accumulated Depreciation	22	<u>(16,372)</u>	<u>(2,263)</u>	<u>(18,635)</u>
		23,316	4,751	28,067
Restated Recreation Leisure and Community - Fair Value	22	20,292	(5,671)	14,621
Restated Recreation Leisure and Community - Accumulated Depreciation	22	<u>(8,409)</u>	1,630	<u>(6,779)</u>
		11,883	(4,041)	7,842
Total Assets as at 30th June 2016		472,139	710	472,849
Net Assets as at 30th June 2016		439,031	710	439,741
Equity				
Accumulated Surplus as at 30 June 2016		212,338	710	213,048

Mitchell Shire Council

Annual Financial Report for the year ended 30 June 2017

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.

Nicole Maxwell



Acting Principal Accounting Officer

Date : 18/9/17.

Mitchell Shire Council, Broadford VIC

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

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

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



David Atkinson

Councillor

Date : 18/9/17

Mitchell Shire Council, Broadford VIC



David Lowe

Councillor

Date : 18/9/17

Mitchell Shire Council, Broadford VIC



Laurie Ellis

Acting Chief Executive Officer

Date : 18/9/17.

Mitchell Shire Council, Broadford VIC

Independent Auditor's Report

To the Councillors of Mitchell Shire Council

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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



Tim Loughnan

as delegate for the Auditor-General of Victoria

MELBOURNE
21 September 2017



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MITCHELL SHIRE COUNCIL

