

ANNUAL REPORT 2015/16.

MITCHELL SHIRE COUNCIL



Contact Council

Our main offices are located at 113 High Street, Broadford

Ph: (03) 5734 6200

Fax: (03) 5734 6222

Email: mitchell@mitchellshire.vic.gov.au

Web: www.mitchellshire.vic.gov.au

Customer and Library Service Centres

113 High Street, Broadford

12 Sydney Street, Kilmore

125 Anzac Ave, Seymour

12/81 High Street, Wellington Square, Wallan

We also provide some basic customer service through our corporate Facebook page, Fire Emergency Facebook pages, Youth Services Facebook page and Mitchell Leisure Services Facebook page. 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, maternal and child health centres, outdoor pools, sports stadiums and youth services.

ABOUT THE ANNUAL REPORT

All Victorian Councils are required to provide an Annual Report for 2015/16 in accordance with the *Local Government Act 1989* and Local Government (Planning and Reporting) Regulations 2014.

This Annual Report provides a Report of Operations for 2015/16 which includes information about any major changes that have taken place, major capital works expenditure, economic or other factors that have had an impact on Council's performance and a summary of activity and achievements.

The Annual Report also outlines 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.

Display copies

Display copies of the Annual Report are available at our Customer and Library Service Centres:

- 113 High Street, Broadford
- 12 Sydney Street, Kilmore
- 125 Anzac Ave, Seymour
- 12/81 High Street, Wellington Square, Wallan

Website

This document can be downloaded from Mitchell Shire Council's website at www.mitchellshire.vic.gov.au

Hard copy

Hard copies can be requested by telephoning (03) 5734 6200 or emailing mitchell@mitchellshire.vic.gov.au. Large print copies are also available on request.

Table of Contents

YEAR IN REVIEW

About the municipality.....	4
Mayor’s Message	6
Chief Executive Officer’s Message.....	8
Financial Overview	9
2015/16: A snapshot	15

ABOUT MITCHELL

Vision	24
Councillors	25
Executive Leadership Team	26
Organisational Structure	29
Our People	30

PERFORMANCE REPORTING

Strategic Objective 1	39
Strategic Objective 2	51
Strategic Objective 3	69
Strategic Objective 4	74
Strategic Objective 5	82

CORPORATE GOVERNANCE	90
-----------------------------------	-----------

PERFORMANCE STATEMENT	116
------------------------------------	------------

FINANCIAL STATEMENTS.....	135
----------------------------------	------------

About the municipality

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

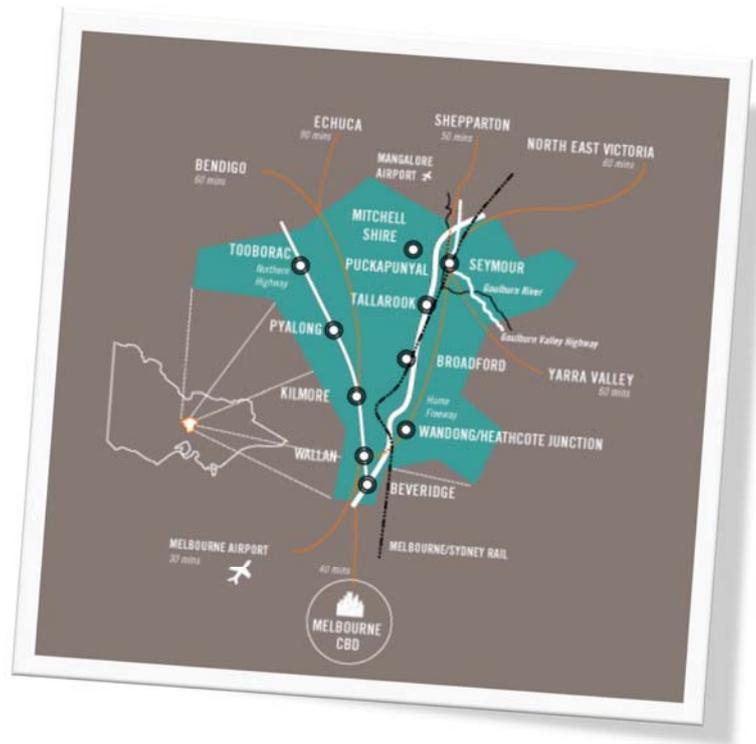
As an interface growth area, Mitchell offers a mix of rural and urban living with affordable housing and with a diversity of lifestyle and housing choices.

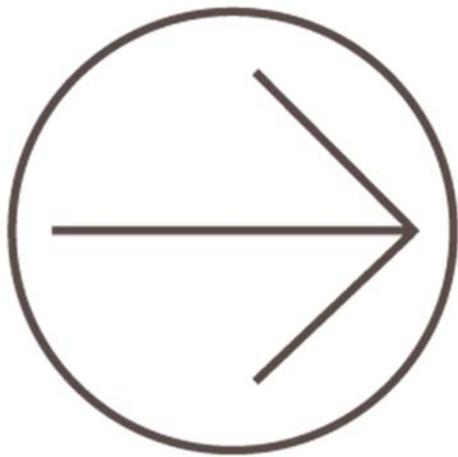
As at 30 March 2016, our total population stood at 39,143 (Australian Bureau of Statistics Regional Population Growth - Estimated Resident Population by Local Government Area). By 2036, our population is projected to grow by more than 50,000 people with nearly 90,000 people calling Mitchell home, many of them young families. It is anticipated that most of this growth will occur in and around the southern townships of Beveridge, Kilmore/Kilmore East and Wallan.

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 2864 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.





Year in Review

Mayor's Message

Mitchell Shire Council Mayor - Councillor Sue Marstaeller, JP

I am pleased to present the 2015/16 Annual Report – the last for this current term of Council prior to the general Council elections in October 2016.

Major changes during the year

There have been a lot of major changes for Mitchell Shire Council during 2015/16 as we have worked with the community and the organisation on the following:

- Identifying \$2 million in efficiency savings to be re-invested in infrastructure for 2016/17.
- Preparing for the introduction of rate capping whilst still working towards our long term financial sustainability goals – particularly our underlying deficit and asset renewal gap.
- Recruiting a new Chief Executive Officer.
- Taking advantage of major external funding injections for our capital works program which enabled us to expand Wallan's Hadfield Park Play Space, upgrade Moore Court play space in Kilmore, begin preparations for a major upgrade of Hudson Park play space in Kilmore, build a new youth service centre and sports pavilion in Broadford and project manage the fully externally funded Wallan Integrated Early Learning Centre.

Core activities

Council has also worked on a number of major initiatives to help deliver on key commitments set in partnership with the community through the Budget, Council Plan, strategies and action plans. Some of the major activities are included below.

- Progressing structure plans for Kilmore, Seymour, Wandong/Heathcote Junction and Wallan as well as land use planning for Beveridge and Mandalay to help address changing land use needs, encourage economic development and support connected and active communities.
- Delivering road, bridge, drainage and footpath improvements through the Capital Works program and continuing to advocate for increased funding for roads, bridges and our \$18 million Missing Links footpath program.
- Advocating for a range of improvements to help our community thrive including road funding; road congestion; early land purchases for critical community infrastructure such as schools and health services in developing areas; telecommunications; public transport improvements; a new army tank museum for Puckapunyal's collection and a more sustainable funding base for Councils to provide infrastructure and services to the community to name just a few.
- Adopting a new Economic Development Strategy, Play Space Strategy, Rural Roadside Environmental Management Plan, Play Space Strategy, Rating Strategy and Waste Management Strategy.

- Implementing annual action plans from Council's core strategies and plans including the Access and Inclusion disAbility Plan; Aquatic Strategy; Arts, Culture and Events Strategy; Asset Management Strategy; Cultural Diversity Plan; Domestic Animal Management Plan; Early Years Plan; Environment Strategy; Learning and Libraries Strategy; Municipal Emergency Management Plan; Municipal Fire Management Plan; Municipal Health and Wellbeing Plan; Neighbourhood Safer Places Plan; Open Space Strategy; Play Space Strategy; Positive Ageing Strategy and Youth Strategy.
- Conducting more than 40 consultation projects including the more extensive engagement activities for Community Conversations, Structure Plans and strategies including our new Economic Development Strategy.
- Developing our online services and information including the new Engaging Mitchell online consultation portal, our online Community Voice Panel, the introduction of an e-newsletter, a new online payment option for rates, online kindergarten enrolments and improvements to Council's website to better meet level AA standards for Web Content Accessibility Guidelines.

CEO recruitment

In December 2015, Mitchell's then Chief Executive Officer for the past three-and-a-half years, Rebecca McKenzie announced her resignation to take up a position as Glen Eira City Council's Chief Executive Officer.

I would like to take this opportunity to acknowledge the significant impact Rebecca had. She provided much needed stability, leadership and guidance to help address some of the more significant challenges the organisation has faced and worked with the Council to help the community and the organisation to plan for the future. I would also like to thank Acting CEO, Travis Heeney who helped guide the organisation through major changes from February to May.

Council recruited and appointed a new Chief Executive Officer, David Turnbull who began with the organisation in May 2016. His experience in growth, advocacy and financial management, as well his understanding of the different needs of rural and urban communities were key factors in the appointment. David is well positioned to help lead Mitchell Shire through a very important transition as we adjust to a rate capped environment, continue to work towards long term financial sustainability and plan ahead for major growth.

Thank you

I would like to thank the Deputy Mayor, Cr Des Callaghan OAM, JP, BJ, fellow Councillors and former Mayor Cr Rodney Parker and former Deputy Mayor Cr Bill Chisholm (July to October 2015) for their commitment to Mitchell Shire and for their contribution to the 2015/16 year. I would also like to thank retiring Councillors Kevin Mulrone, Rodney Parker and Bill Melbourne for their hard work and commitment over many years and acknowledge Cr Melbourne's years of service since 2003 including five years as Mayor during that period.

Finally, I would also like to thank the organisation for their support of this Council during 2015/16 and during the four-year term of the current Council. There have been many challenges during this time but the work of this Council and the commitment of the community and employees to make Mitchell Shire a great place to live, work and operate a business is appreciated.

Mitchell has a great future ahead and I am confident that the changes we have put in place during 2015/16 will help our communities of today and of the future to thrive.

Chief Executive Officer's Message

David Turnbull, Chief Executive Officer

I am pleased to present the 2015/16 Annual Report for Mitchell Shire Council – my first since joining the organisation in May 2016.

I would like to take the opportunity to thank Acting CEO from February to May, Travis Heeney and former CEO Rebecca McKenzie for their contribution to the organisation during 2015/16.

This Annual Report provides a summary of major initiatives and activities for 2015/16 as well as a report of operations covering performance against our Council Plan measures of success, major budget initiatives and service indicators as part of the Local Government Performance Reporting Framework. A summary of Council's core governance measures and our annual Performance and Financial Statements are also included.

During the year, service reviews were conducted across every Council area to identify \$2 million in corporate efficiency savings for the coming year. Savings in Council's height and width clearance program, gravel re-sheeting, waste management, local laws, building compliance, statutory planning, leisure, kindergartens, maternal and child health, corporate services and engineering were identified. Council also outsourced its public health service in 2015/16, re-aligned its building compliance and local laws teams and conducted a benchmarking review of fees and charges for the year ahead.

One of the key challenges for the organisation in 2015/16 was absorbing the impact of a reduction in the number of positions in the organisation from 2014/15; continuing to provide services and meet key commitments with a number of vacant positions across the organisation throughout the year; and the removal of a further 13 positions announced towards the end of 2015/16. Despite this, the organisation still delivered on nearly all of the Council Plan four-year measures, annual actions and major budget initiatives and maintained a focus on providing value and services to the community.

Council's focus on increasing cash reserves, returning the organisation to a positive adjusted underlying result, reducing the asset renewal gap and planning for future growth continues despite the impact of rate capping. Further work on this will be required in the coming years in partnership with Council and community. For more information please see the Financial Overview summary and the Financial Statements.

In the short time I have been with the organisation, I have been particularly impressed with the strategies, action plans and activity reports that have been presented to Council. This is a major achievement for an organisation of Mitchell's size and assists Council to deliver on our core requirements under the Local Government Act to provide infrastructure and services for the community, to support economic development, to plan for future needs of the community and to support the health and wellbeing of our current community. I have also been impressed with the commitment and passion of staff to, as a team, provide high quality services.

I would like to thank Council, the community and employees for welcoming me to Mitchell Shire and helping me to learn about the community and the organisation. In a short period of time I have been made to feel very welcome.

With a focus on leadership, innovation and continual improvement, I am confident that together we will achieve organisationally effective outcomes within a positive and motivating cultural environment.

Financial Overview

Council's financial position at the end of June 2016 reflects Council's commitment to addressing its financial challenges and improving the municipality's long term financial sustainability.

From an operating result perspective, Council has achieved a surplus of \$7.07 million, however after adjusting for non-recurrent capital income, the adjusted underlying result for 2015/16 is a deficit of \$6.8 million. It should be noted that this result is skewed by the pre-payment to Council of \$3.2 million in Financial Assistance Grants on 30 June 2015 for the 2015/16 financial year. Adjusting for this timing difference, the adjusted underlying result is a deficit of \$3.6 million, which is in line with the budget. This is despite depreciation being \$2.7 million higher than budgeted as a result of the revaluation of the road asset class conducted at the end of 2014/15.

Whilst Council continues to return an adjusted underlying deficit, it is strongly committed to improving this indicator over time to improve its long term financial sustainability. The adjusted underlying result is the net surplus for the year adjusted for non-recurrent capital grants, non-monetary asset contributions and capital contributions from other sources. It 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, including renewing existing assets and providing new infrastructure for our growing population. This remains one of Council's critical areas of focus.

During 2015/16, Council commenced work towards reducing net operating costs by \$4 million over the 2016/17 and 2017/18 budget cycles. Part of the \$2 million target in 2016/17 incorporates a \$1.1 million reduction in employee costs. In order to meet these savings, an organisational restructure was implemented during the year. Operational savings were identified in the Quarter 3 forecast review in order to pay for resulting redundancy costs, which were partially incurred in 2015/16 and have now been finalised for 2016/17.

At the conclusion of the 2015/16 financial year, Council has \$19.9 million in cash and term deposits compared to \$13.9 million at 30 June 2015. It should be noted however, that this increase in cash holdings is primarily due to not fully expending the capital works program funds (22 per cent of cash held at balance date relates to carried forward capital works) as well as some operational costs that will now be incurred in 2016/17. Another impact on the cash balance is that, as at 30 June 2015, \$3.2 million was included due to the pre-payment of financial assistance grants relating to 2015/16 as noted above.

AT A GLANCE

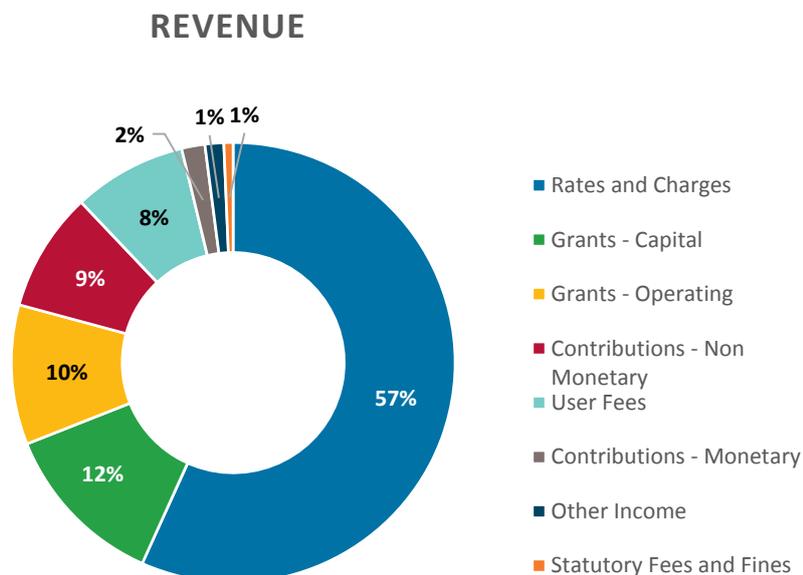
For 2015/16, Mitchell Shire Council achieved the following results:

- \$3.6 million 'adjusted underlying deficit', compared to \$2.2 million for the previous year after allowing for \$3.2 million prepayment adjustment.
- \$7.07 million surplus. This is derived from:
 - \$64.7 million revenue with 57 per cent coming from rates and charges
 - \$57.7 million expenditure with 39 per cent attributable to employee and labour costs (30 per cent due to materials and services and 25 per cent depreciation)
 - \$437.6 million net assets. This is \$6.3 million more than last year
 - \$19.9 million holdings in cash. This is \$6 million more than last year as explained above.
- \$13.5 million loans and borrowings
 - This is \$1.5 million less than last year due to scheduled repayments made and no borrowing incurred during the year due to a deferred land purchase.

REVENUE

Council's total revenue for 2015/16 was \$64.7 million (compared with \$70.5 million in 2014/15), which includes \$5.7 million in non-monetary 'gifted' assets from developers. Council received a lower level of grant funding in 2015/16, largely due to the advance payment of \$3.2 million on 30 June 2015 of the annual Victorian Grants Commission 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.

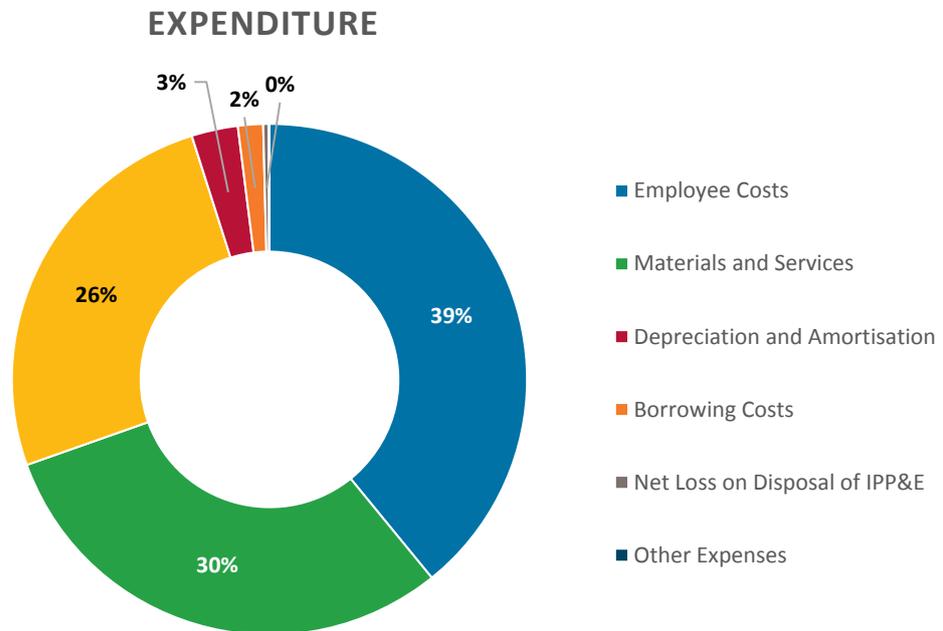


EXPENSES

Total expenditure for 2015/16 was \$57.7 million (compared with \$55.2 million in 2014/15). This increase includes a \$2.4 million increase in depreciation; an increase in materials and services of \$100,000, and \$743,000 received in 2015/16 for projects that span multiple years and will be required in 2016/17. Employee costs were down by \$100,000 primarily due to vacancies and the organisational restructure.

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:

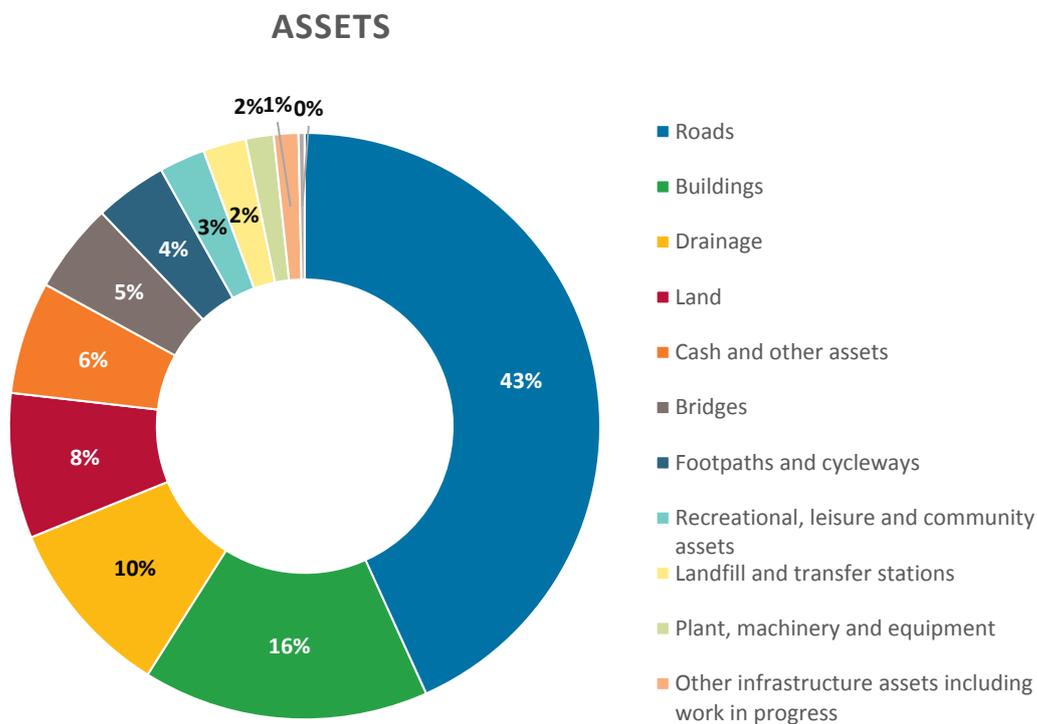
- employee and labour costs at 39.1 per cent (compared to 41.09 per cent in 2014/15)
- materials and services at 30.4 per cent (compared to 31.61 per cent in 2014/15)
- depreciation of assets at 25.6 per cent (compared to 22.33 per cent in 2014/15).



ASSETS

Council's financial position improved by \$7.76 million during the year. This comprises a surplus of \$7.07 million and a reserves increment of \$686,000. Council's net worth as at 30 June 2016 was \$439 million (\$431.2 million in 2015) and comprised the following assets and liabilities:

Asset	\$ million	%
Land	37.78	8%
Buildings	73.91	16%
Plant, machinery and equipment	7.21	2%
Roads	204.25	43%
Bridges	23.32	5%
Footpaths and cycle-ways	18.76	4%
Drainage	46.72	10%
Recreational, leisure and community assets	11.88	3%
Parks, open space and streetscapes	1.58	0%
Landfill and transfer stations	11.09	2%
Other infrastructure assets including work in progress	6.35	1%
Cash and other assets	29.29	6%
Total	472.14	100%



BORROWINGS

Council's borrowings at 30 June 2016 were \$13.51 million, which equates to a 41 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 \$7.44 million to borrowings in 2016/17 to allow for the strategic land purchase in the south of the shire (\$5 million carried forward from 2015/16), Council's contribution towards stage 2 and 3 of the Seymour Flood Mitigation Project (\$910,000) and Council's contribution towards Mandalay Community Centre stage 1 (\$1.5 million). These borrowings will only be drawn down when these projects go ahead. Borrowings will be in line with Council's borrowing policy and be set at financially sustainable levels 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 \$8.57 million on infrastructure capital works during 2015/16, including \$5.1 million on renewing existing assets such as roads, buildings, footpaths and kerb and channelling.

The capital works program was re-prioritised during 2015/16 following the receipt of major external grant funding which brought forward five major projects whilst deferring the scheduling of major bridge works which have now been included in 2016/17. The planned strategic acquisition of land for open space in the south of the shire was also delayed and weather issues caused delays to some projects. The funding originally allocated in the budget for capital projects was unable to be completed for various reasons during 2015/16 and has been carried over to 2016/17.

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 2015/16 was \$15.9 million (\$16.7 million in 2014/15). Council's cash position at 30 June 2016 is \$19.9 million (compared to \$13.9 million in 2014/15), an increase of \$6 million. Council remains focused on replenishing cash holdings in order to improve its liquidity position and ensure there is sufficient working capital to meet current commitments.

Council's working capital ratio for the 2015/16 financial year is 1.9 (compared with 1.5 in 2014/15). This result is skewed by unspent funds in respect to the capital works program together with operational expenses relating to grants received and unspent, multi-year strategic planning projects and redundancy expenses to be spent next year (the 2014/15 was also skewed due to the early receipt of grants commission funds and incomplete capital works program). Taking this into account would see an adjusted working capital ratio of 1.4.

CONCLUSION

Council remains committed to improving financial health with a primary focus on reducing adjusted underlying deficits and, ideally, turning them into adjusted underlying surpluses, rebuilding its cash holdings and increasing investment in infrastructure assets for our 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 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 both its short-term and long-term financial plans. 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 must be met with a willingness to seek efficiencies and review existing service and asset levels. For a detailed picture of our financial performance please see the Financial Statements.

A handwritten signature in black ink, appearing to read 'Laurie Ellis', is written over a faint, circular stamp or watermark.

Laurie Ellis

Principal Accounting Officer and Director Corporate Services

2015/16: A snapshot

Efficiency savings and rate capping

When Council adopted the 2015/16 Budget and Council Plan Annual Action Plan in June last year, we set a clear direction for the organisation to identify \$2 million for 2016/17 and \$2 million for 2017/18 that could be redirected to infrastructure and help improve Council's long-term financial position.

In October and November, we worked with the community to identify service and infrastructure priorities and began exploring what a rate cap could mean for Mitchell Shire.

In December, the State Government announced a cap of 2.5 per cent, well below our previous forecast of 4.5 per cent in our Strategic Resource Plan. We sought community input in February about whether to apply for an exemption to the cap and, if not, how we could identify a further \$633,000 to be removed from the following year's budget on top of the \$2 million in efficiency savings already identified.

In March, Council decided not to seek an exemption and further community input was sought on the draft Budget and Strategic Resource Plan and included the removal of 13 positions from the organisation as part of the \$2 million efficiency target as well as details of the \$633,000 in budget savings to meet the rate cap.

The organisational changes were announced in May 2016 and the budget was adopted in June 2016.

New facilities and infrastructure

Council received \$3.55 million through the State Government's Interface Growth Fund (now Growing Suburbs Fund) to help fund Wallan's Hadfield Park Community Bank Adventure Park, a new youth centre for Broadford, Kilmore play spaces in Moore Court and Hudson Park, Greenhill Reserve pavilion extension and the Wallan Integrated Early Learning Centre (which also received \$2 million from the State Government's Children's Capital Program). Council also received Australian Government Local Government Infrastructure Program funds of \$295,000 and State Government Community Facility Funding Program funds of \$100,000 towards the Broadford Sports Pavilion project.

This funding is important to help Council provide a good mix of infrastructure that encourages healthy, active and connected communities and it is more important than ever in a rate capped environment.

Planning for population growth

This new infrastructure complements the other major growth area projects that Council has been working with the community to deliver in the Wallan area, including the Wallan Structure Plan, kindergarten expansions and improved youth facilities at Hadfield Park including the Wallan Youth Room. Council is also working to secure land around Greenhill Reserve for future recreation, leisure and open space facilities and has applied for government funding for the Wallan town centre revitalisation.

Council has also undertaken strategic land use planning work in Kilmore, Seymour and Wandong/Heathcote Junction with structure plans and associated development of urban design frameworks, and town centre plans. The Northern Growth Corridor Study also shows how we anticipate this growth may occur over the next 25 years to assist the State Government and Council with the various land use, road and public transport actions that will be needed to support this growth.

Council's Economic Development Strategy was also adopted during the year and includes a range of initiatives to support growth and create local employment opportunities. Council also delivered new infrastructure including a dump point for black waste from motorhomes and caravans in Seymour which encourages tourists to visit the town. Council also completed Stage 3 of the Vietnam Veterans Commemorative Walk which is drawing many visitors to the area.

Investing in ageing infrastructure

Balancing the need to provide new infrastructure and support existing infrastructure across nearly 40 communities is a key challenge for any Council. Increasing investment in infrastructure is a major focus of Mitchell's Budget and Strategic Resource Plan. In 2015/16, more than half of Mitchell's capital works program was spent improving roads, bridges, footpaths and drains (on top of regular maintenance). For a list of projects please see the Capital Works report.

Emergency management planning and support

We had an early start to the fire season with two large fires threatening properties around the Tallarook Ranges and from the Lancefield fire on our western boundary in October 2015. Council provided support to the emergency agencies with a staging area set up in Tallarook and also supported our colleagues in Macedon Ranges. Council also progressed the Seymour Flood Mitigation Project, secured funding for new CFA water tanks in Clonbinane, conducted various fire prevention activities and implemented the Municipal Emergency Management Plan in partnership with other emergency response, relief and support agencies.

As well as supporting emergency response agencies, Council also undertook a range of fire prevention measures throughout our roads and open space network and worked with other emergency agencies to encourage the community to prepare their properties. Sadly, we also experienced flash flooding in Seymour in January 2016 which resulted in a fatality after a car became trapped in flood waters at Delatite Ford which regularly floods after heavy rainfall. Council has worked with emergency management agencies and the Goulburn Broken Catchment Management Authority to review this tragic event and identify any further improvements to safety in this area.

Advocacy

Mitchell Shire Council has worked closely with the State and Federal government on a number of core advocacy projects and has provided submissions on various legislative reviews including the Local Government Act review and Electoral Ward Boundary review.

Advocacy discussions included input to Public Transport Victoria's Regional Plan which resulted in State Government budget funding for various improvements on the Seymour line; the Federal Government's mobile blackspot program which resulted in funding for a new tower for Reedy Creek; and the need for a new Army Tank Museum which resulted in a commitment from the Federal Government to build a new facility by 2020.

Council is also working on a number of other advocacy projects including the Wandong interchange, the Kilmore-Wallan Bypass, Watson Street diamond interchange in Wallan, town centre plans for Kilmore and Wallan, support for small primary producers who sell meat produce and need to meet restrictive PrimeSafe conditions; the need for more roads funding for local government and the call for a more sustainable funding model for local government including the return and indexation of Financial Assistance Grants.

Strategies, studies, plans and policies

There are over 100 policies, strategies and plans that help guide Council's activities and priorities. During 2015/16, progress reports were delivered on the Access and Inclusion disAbility Plan; Arts, Culture and Events Strategy; Cultural Diversity Plan; Early Years Plan; Library and Learning Strategy; Living Well for Life Strategy; Municipal Public Health & Wellbeing Plan; Open Space Strategy; Resilient Melbourne Strategy and Youth Strategy.

Council also updated the Budget; Economic Development Strategy; Rural Roadside Environmental Management Plan; Northern Growth Corridors Study; Rating Strategy; Strategic Resource Plan; Wandong and Heathcote Junction Heritage Gap Study and Waste Management Strategy.

Policies updated or introduced in 2015/16 included Asset Recognition; CCTV; Election Signage; Film; Food; Kerbside Collection; Loan Borrowing; No Jab No Play; and Sale of Council Property.

Parks and Open Space Service Standards were updated and feasibility studies were progressed for Heathcote to Wallan Rail Trail extension; Kilmore to Kilmore East Footpath Link; Seymour Hub and Wallan Hub.

Consultation

Council conducted more than 40 consultation projects ranging from a basic one-off public notice right through to the more extensive face-to-face and longer term engagement activities including Community Conversations, Structure Plans and the Economic Development Strategy.

The new Engaging Mitchell online consultation portal attracted more than 20,000 visits during 2015/16 across 25 projects. Since it was established in April 2015, the online Community Voice Panel has grown to more than 550 members.

Communication

During 2015/16, Council introduced an e-newsletter, a new online payment option for rates, online kindergarten enrolments and improvements to Council's website to better meet Level AA Web Content Accessibility Guidelines.

Interaction with Council's website continued to grow with nearly 100,000 unique visitors and more than 350,000 pages viewed.

Council's Facebook page continued to grow from 1240 likes to more than 2330 likes during 2015/16 generating nearly 600,000 impressions. Other Council pages have also continued to increase engagement and likes including the Fire Emergency Information page, Youth Services page, Leisure services page and Animals of Mitchell Shire page.

CAPITAL WORKS SNAPSHOT

The following is a summary of 2015/16 infrastructure projects including Interface Growth Fund projects that are continuing into 2016/17.

Footpaths

- Abdallah Road, Seymour – new footpath and renewal
- Anzac Avenue, Seymour footpath renewal
- Arrowsmith Street, Beveridge footpath renewal
- Kilmore/Lancefield Road footpath construction*

Road Safety Projects

- Anzac Avenue, Seymour – school crossing relocation
- Blackspot - Seymour/Avenel Road
- High St, Seymour - pedestrian fence and Whiteheads Creek bridge
- Kenny's Lane Railway level crossing closure
- Kings Park Building and lighting repairs
- Smedleys Lane bridge
- Smiths Bridge Replacement (Local Government Infrastructure Plan)
- Willowmavin Road bridge replacement

Drainage

- High Street, Seymour – Kerb, channel and drainage
- Seymour Flood Levy

Bridges

- Manse Hill Road/Northwood Road Bridge renewal (R2R)
- Mugavins Road Bridge (R2R)

Road Renewals

- Bromfields Road re-sheeting
- Dry Creek Road, Kilmore East renewal of shoulders
- Ghin Ghin Road (Kobyboyn Rd-Chetwynd Road) re-sheeting
- Hughes Creek Road, Seymour re-sheeting
- Hume & Hovell Road re-sheeting
- Kellys Lane re-sheeting
- Kings Lane pavement improvement (R2R)*
- McDonalds Road (Coulsons Road to Freeway) re-sheeting
- Mia Mia Road re-sheeting
- Minton Street (R2R) re-sheeting
- Old Sydney Road (Darraweit Rd-Stockdale Rd) re-sheeting
- Old Sydney Road (Northern Highway-Darraweit Road) re-sheeting
- Panyule Road (R2R) re-sheeting
- Selection Road (Red Gum Rd-Broadford Glenaroua Rd) re-sheeting
- Sungarrin Road re-sheeting
- Three Chain Road re-sheeting
- Union Lane (Mill Road-Northern Highway) re-sheeting
- Wallan Heights Road re-sheeting
- William Street (East) – pavement renewal (R2R)
- William Street (West) – pavement renewal (R2R)

Accessibility

- Accessible parking improvements

Building, construction and improvements

- Construct next cell at Mitchell Landfill
- Integrated Early Learning Centre Wallan*
- HVAC Renewal - Wallan Multi-Purpose Centre, Broadford Office, Seymour Sports and Aquatic Centre
- Kilmore Memorial Hall replacement of bi-fold doors
- Kings Lane pavement improvement
- Landfill Weighbridges Upgrade
- Mill Street Streetscape Upgrade*
- Mitchell Landfill fencing renewal
- Mitchell Landfill movable litter nets
- Tallarook Hall building improvements
- Wellington St Kindergarten rectification works

Leisure and recreation

- Broadford Youth Centre*
- Broadford Sports Pavilion*
- Hadfield Park Community Bank Adventure Park*
- Greenhill Reserve Netball Court*
- Greenhill Reserve pavilion extension*
- Park Furniture renewal
- Harley Hammond Oval Renovation Stage 1
- Hudson Park play space upgrade*
- Moore Court play space*
- Pool Plant Renewal – Central Region
- Pool Plant Renewal – North Region
- Robson Stadium Playground
- Seymour Tennis Centre court renewal*
- Vietnam Veterans Commemorative Walk

*Denotes projects that have commenced in 2015/16 and will be completed in 2016/17

EVENTS SNAPSHOT

Council provided many events for the community and in partnership with the community during the year. The following are some highlights.

July

- Hadfield Play Space colouring competition
- Microchip and pet registration day
- Youth card released
- National Tree Day
- Creative Conversations (Art Recovery Event)
- Kilmore3764 Knowledge Sharing Workshop
- Business Networking Seminar
- Secrets of Good Governance Community Workshop
- Youth Council Sworn in
- NAIDOC Week with Seymour Local Indigenous Network

August

- Edible garden workshops
- Community and tourism grants announced
- Family History Workshops – Libraries
- Youth H30 Challenge
- Environmental Grants Open

September

- School holiday program, grab bags and Learn 2 Skate workshops
- Worm and Compost Farm Subsidy Program
- YMCA Regional Skate Park Leagues Northwestern Series at Wallan Skate Park
- Pyalong Community Forum

October

- Volunteer workshops
- Walk to School month
- Seniors Festival and Annual Seniors Concert
- Healthy cooking workshop for youth
- T20 Cricket Carnival as part of Responsible Gambling Week
- Volunteer Management Community Workshop
- Wallan Youth Room First Birthday Celebration
- Scar Tree Cutting

November

- Fire Ready community BBQs in Pyalong, Willowmavin, Seymour and Spring Ridge
- Pet Expo
- White Ribbon Family Day
- Home Composting Workshop
- Reduce, Reuse, Recycle Workshops
- Sustainable House and Garden Tour

December

- International Day of People with Disability
- Planning workshops
- Elly the Elephant as part of Courageous Conversations
- Seymour Flood Mitigation Project Levee Bus Tours
- Waste Free Kitchen Workshop
- Statutory Planning Community Forums
- Seymour 3660 Community Workshop

January

- Australia Day Awards, citizenship ceremony and celebrations
- Seymour FM 103.9 Community Summer Splash at the Seymour War Memorial Outdoor Pool

February

- Youth Community Stencil Workshop
- Seymour Alternative Farming Expo
- Grant Submissions Workshops
- Essendon Football Club visit

March

- Health and Wellbeing Expo
- Harmony Day
- International Women's Day and launch of Mitchell Women's Circles
- Clean up Australia Day
- Youth Council sworn in
- Microchipping Day

April

- Declutter and reduce waste workshop
- A Step for the Homeless Colour Dash
- Food Truck Festival
- Premiers Active April Program
- Gideon Haigh Book Talk
- Launch of Lego Learners Club
- Citizenship Ceremony

May

- Volunteer booklet and volunteer week Annual Volunteer Luncheon
- Regional Living Expo with Goulburn River and Ranges Tourism
- Healthy living workshop for youth
- Marketing Your Community Organisation Workshop
- Say No to Racism Bystander Training
- Rainbow Flag
- Hosted the Goulburn River Valley Tourism Volunteer Summit in Seymour
- Strategic Planning 101 forums
- 16th annual National Simultaneous Storytime

June

- World Elder Abuse Awareness Day Workshop
- Seymour 3660 Business Networking Event
- SES Wear Orange to Work Day
- International Volunteers Day
- Zero Waste Cooking Workshop
- RoadSafe Goulburn Valley Heavy Vehicle Forum
- Mitchell Youth Strategy Steering Committee Meeting
- Know Your River Walk as part of Seymour 3660 Project
- Economic Development Strategy Workshops

Satisfaction Survey

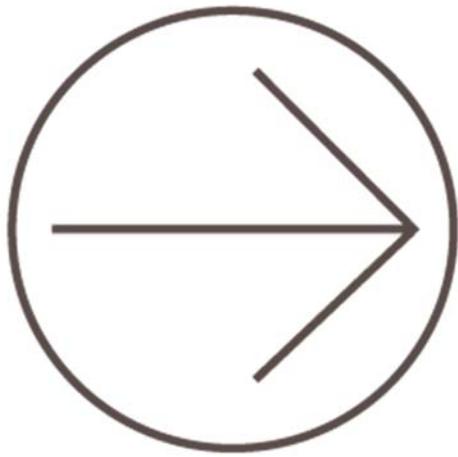
Each year, Local Government Victoria (LGV) coordinates and auspices an annual Community Satisfaction Survey for Victorian councils. The results of core measures are included in Council's Annual Report each year and on the State Government's Know Your Council website as part of the Local Government Performance Reporting Framework. The 2016 telephone survey was conducted in February. More than 400 Mitchell residents took part from a range of age groups and locations.

Satisfaction with Mitchell Shire Council's performance across seven core areas and five individual service areas has dropped in the 2016 survey.

Overall direction; overall performance; consultation; planning for population growth; informing the community; advocacy; decisions made in the interests of the community; and customer service experienced large drops in satisfaction and were below the large rural average. Waste management, customer service, appearance of public areas and recreational facilities were Council's best performing areas, although results across the board dropped and were well below the large rural average. Sealed road maintenance and financial management were the top areas for improvement cited by residents followed by communication, consultation, rates, recreational facilities, staffing levels, walking tracks and waste management.

Council made many changes in 2015/16 including adjusting to the State Government's rate cap, major changes to the organisational structure, increasing investment in infrastructure and planning for population growth through structure plans and advocacy for many projects including roads funding, traffic congestion improvements, mobile phone blackspots, the NBN roll out, public transport and financial sustainability for local government as a sector. It is hoped that these initiatives and a continued focus on service and infrastructure priorities will help improve survey results in future years.

CORE MEASURES	Mitchell 2014	Mitchell 2015	Mitchell 2016	Large Rural 2016
Overall performance	51	54	42	54
Community consultation	49	53	42	52
Advocacy	48	49	40	50
Making community decisions	N/A	49	41	50
Sealed local roads	N/A	43	37	44
Customer service	65	68	60	67
Overall council direction	50	55	37	48
SERVICE AREAS				
Waste management	66	64	61	70
Appearance of public areas	62	63	59	69
Recreational facilities	57	60	55	65
Informing the community	55	56	46	56
Consultation and	49	53	42	52
Planning for population	45	50	39	47
Lobbying	48	49	40	50
Community decisions	N/A	49	41	50
Sealed roads	N/A	43	37	44



About Mitchell

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 VALUES

- Innovation for positive community outcomes
- Collaboration to achieve shared goals
- Excellence in everything we do
- Accountability in our work
- Integrity demonstrating high standards
- Exceed community expectations and continuously work to improve performance
- Fair, open and transparent governance processes.

OUR CULTURE

We're moving Mitchell forward through our:

- People
- Customers and community
- Leadership
- Resources
- Systems and processes

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 2012. The next one is on 22 October 2016.

NORTH WARD

Cr Bill Chisholm
(Deputy Mayor from July
to October 2015)
First elected 2012

Cr Bill Melbourne
First elected 2003

Cr Rhonda Sanderson
First elected 2012

CENTRAL WARD

Cr Des Callaghan OAM, JP, BJ
(Deputy Mayor from
October 2015)
First elected 2008

Cr Ross Lee
First elected 2003

Cr Rodney Parker
(Mayor from July to
October 2015)
First elected 2012

SOUTH WARD

Cr Bob Cornish
First elected 2012

Cr Sue Marstaeller, JP
Mayor from October 2015
First elected 2003

Cr Kevin Mulroney
First elected 2008

Executive Leadership Team

As at 30 June 2016, the Executive Leadership Team comprised three Directors. A new membership will be introduced in July which will also include the Manager People and Performance and 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.

CHIEF EXECUTIVE OFFICER

David Turnbull

David is an accomplished, dedicated local government CEO with a 38-year career in local government. His entire career has been with Interface municipalities undergoing significant change and growth, combined with the challenge of maintaining township, rural and green wedge qualities.

David is committed to providing quality services to the community through strong engagement, innovation and astute financial management and to leading a strong and motivated staff. With a strong reputation within and beyond the sector he has particular strengths in forging strong relationships and alliances for the benefit of Council and the community.

He has played a key leadership role in the formation and success of key regional organisations including the Interface Group of Councils, the Northern Region Councils and the National Growth Areas Alliance. He is currently a Board Member of the Northern Melbourne Regional Development Association, having being appointed to that role by Federal and State Governments.

In 2016, David left the neighbouring City of Whittlesea after 21 years of service including twelve years as Director of Planning and Development and nine as the CEO. Under his leadership the City underwent significant and positive transformation. David led major advocacy campaigns and applied his strategic planning skills to achieve best practice planned communities and job and investment attraction. With 70 per cent of the municipality rural, particular attention was given to enhancing township character and viability as well as maintaining biodiversity and water catchment areas.

These achievements were recognised by many National awards. Prior to the City of Whittlesea David was for 12 years at the Shire of Bulla (now City of Hume) in senior planning roles before leaving in 1995 as the Director Planning and Development.

David was the recipient of the Paul Jerome Award for Outstanding Public Service in 2006 and in 2009 was recognised for his leadership in the City of Whittlesea response to the Black Saturday Bushfires.

David has undergraduate qualifications in Town Planning, Humanities and a Master of Business Administration.

DIRECTOR CORPORATE SERVICES

Laurie Ellis

Laurie commenced with Mitchell Shire Council in February 2016, sharing his substantial expertise and experience in directing and managing corporate services within the local government, not-for-profit and small business sectors. Laurie has held numerous leadership roles throughout his career, including having served as Director of Finance and Director of Corporate Services at Whittlesea Council in the 1990s.

Passionate about delivering high quality customer service to both internal and external clients, Laurie's strong community focus and values system position him to work well as part of Council's Executive Leadership Team.

As Director Corporate Services, Laurie's leadership portfolio comprises:

- Finance incorporating Procurement and Contracts, Financial Accounting, Management Accounting and Rating Services
- Governance and Organisational Development incorporating People and Culture, Governance, Payroll, Occupational Health and Safety and Risk
- Information Technology and Information Management
- Communications, Advocacy, Corporate Planning and Performance

Laurie has a Master of Business Administration, a Bachelor of Business Accounting and is a qualified Certified Practising Accountant.

DIRECTOR ENGINEERING AND INFRASTRUCTURE

Jeff Saker

Jeff commenced with Mitchell Shire Council in December 2011, having previously been General Manager Infrastructure at Hepburn Shire Council and General Manager City Services at the City of Darebin. Prior to that, he worked at Parks Victoria managing a variety of national, state, metropolitan and coastal parks.

Jeff is committed to ensuring that community assets, including the environment, are managed for the benefit of current and future generations.

Jeff provides leadership and support to the Engineering and Infrastructure Directorate, which incorporates the following three departments:

- Operations - incorporating Roads (depots), Facility Management, Waste Management, Fleet and Municipal Emergency Response
- Engineering Services - incorporating Transport, Engineering Services, Subdivisions, Major Development (including new developments) and Seymour Flood Mitigation Project
- Parks and Assets - incorporating Parks, Gardens, Arboriculture, Environment, Capital Works and Asset Management (including Property Management) and Sustainability

Jeff has a Graduate Diploma in Business Management and an Associate Diploma of Applied Science in Resource Management.

DIRECTOR SUSTAINABLE COMMUNITIES

Travis Heeney

With more than 10 years' senior community services management experience, Travis has a wealth of experience gained in the public health system and not for profit sector, as well as Local Government, having previously worked for Hume and Whitehorse City Councils.

Travis is driven by a desire to develop communities and people. He thrives on innovation and improvement and empowering employees and community to achieve their full potential. Travis is committed to ensuring that services and infrastructure are well planned to provide a strong foundation for engaged and healthy communities now and into the future.

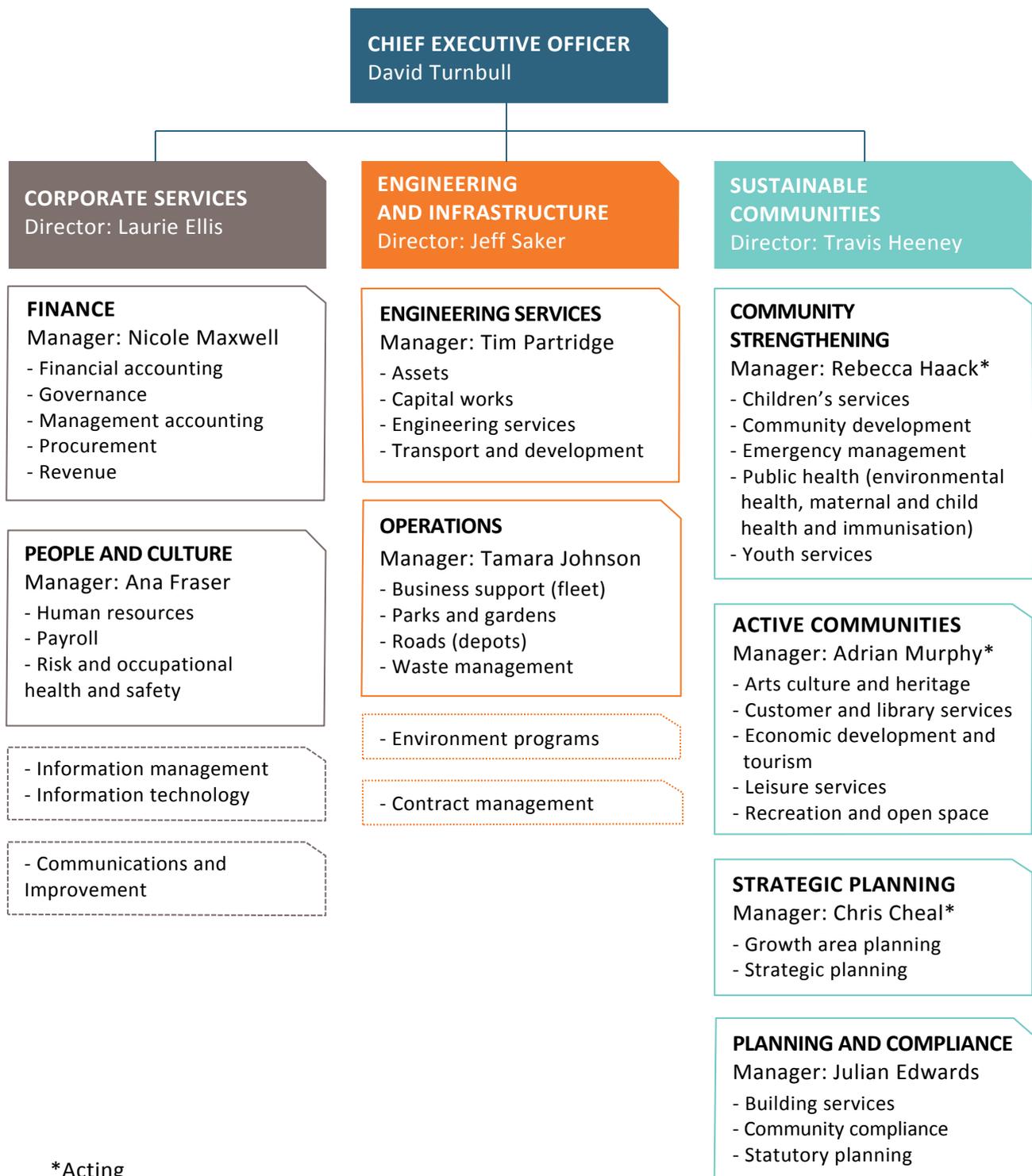
With this background, Travis is well placed to support and lead the Sustainable Communities directorate, which incorporates the following four departments:

- Community Strengthening, incorporating Emergency Management, Public Health (Environmental Health, Maternal and Child Health and Immunisation), Children's Services, Community Development, Youth Services and Aged and Disability Services planning
- Active Communities, incorporating Leisure Services, Recreation and Open Space and Arts, Culture and Heritage, Customer Service and Libraries and Economic Development and Tourism
- Strategic Planning, incorporating Growth Area Planning
- Statutory Planning and Compliance, incorporating Statutory Planning, Building Services and Community Compliance

Travis has a Bachelor of Social Work (Honours) and has completed the Company Director's course. Travis is an active member of Australian Institute of Company Directors, Local Government Professionals and Municipal Association Victoria.

Organisational Structure

In 2015/16, major changes to the organisational structure were developed with 13 positions removed, a reduction to eight Managers and a number of Coordinators reporting to Directors. These changes were announced in May 2016 and will continue to be implemented early in 2016/17. The following is the Organisational Structure at 30 June 2016. Each Director is supported by Managers, Coordinators and Team Leaders as part of the Senior Leadership Team.



Our People

Our five values of innovation, collaboration, integrity, accountability and excellence drive our customer-focused service delivery.

AWARDS

Excellence Awards

To celebrate the work of our employees, in February 2016 staff and teams were recognised for excellence in service delivery, years of committed service to Council and for being values champions. The all-staff event recognised approximately 50 individuals either individually or as part of teams. Awards were presented for years of service as well as excellence in Customer Service, Innovation and Creativity; Leadership; Teamwork; Working in Partnership and Operational Excellence. A special Values Champion Award was also presented.

Aquatic & Recreation Victoria (ARV) nominees

Congratulations to nominees from Mitchell Leisure Services Cathy Rowe – Group Exercise Instructor; Emily King – Customer Service; Lisa Gawne – Most valuable employee; Bev Hart – Teacher of Swimming and Water Safety and Deb Clancy – Teacher of Infant and Pre School Aquatics.

Cyber Tattoo Melbourne Design Awards

Mitchell Youth Services together with Mitchell Youth Council and Sidedoor Marketing Agency received a Silver Award in the Melbourne Design Awards for the Cyber Tattoo program. The campaign, 'Cyber Tattoo – It's There For Life.' was created to generate awareness for online safety and assist young people to be respectful and responsible online.

Our Region Environment Future Award - Leadership and renewing the Regional Catchment Strategy

Presented to Mitchell Shire Council by the Port Phillip & Westernport CMA (PPWPCMA), the award in recognition of the support, leadership and collaboration shown by the Mitchell Shire Council to help make the new PPWPCMA Regional Catchment Strategy.

Premier's Sustainability Award – Built Environment

The project includes the upgrade of more than 13,600 street lights to energy efficient alternatives across 11 council areas including Mitchell and will reduce carbon emissions by 106,700 tonnes over the next 20 years.

School Crossing Supervisor of the Year nominee

Pauline Candy was nominated for School Crossings Victoria's School Crossing Supervisor of the Year.

Pauline has worked for Council as a School Crossing Supervisor at Wandong Primary School since 25 November 2002 and was nominated for her years of service and her work to raise awareness for safety around school crossings.

ABOUT OUR PEOPLE

As at 30 June 2016 Council had 247.11 full-time equivalent employees (including permanent, temporary and casual positions) in roles covering planning, engineering, parks and environment, customer service, maternal, child and youth services, sport, arts 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	Corporate Services	Engineering and Infrastructure	Sustainable Communities	Total
Female	Casual	0	0.32	0.31	16.29	16.92
	Full time	1	18.4	11.5	27.4	58.3
	Part time	0	2.34	2.93	54.48	59.75
	Total	1	21.06	14.74	98.17	134.97
Male	Casual	0	0	0.41	4.91	5.32
	Full time	1	12	59.79	28	100.79
	Part time	0	1.18	1.66	3.19	6.03
	Total	1	13.18	61.86	36.10	112.14
Organisation total		2	34.24	76.6	134.27	247.11

Note: As at 30 June 2016, there were 23 FTE vacancies. During 2015/16, nine positions were made redundant.

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	14.06	21.7	35.76
Annualised After	12.29	0	12.29
Band 1	3.52	0.81	4.33
Band 2	7.40	11.75	19.15
Band 3	4.39	23.71	28.10
Band 4	28.79	19.64	48.43
Band 5	18.93	15.00	33.93
Band 6	10.71	9.00	19.71
Band 7	2.63	5.39	8.02
Band 8	1.80	2.20	4.00
Immunisation Nurse (In Charge)	0.47	0	0.47
Kinder Level 1	0.76	0	0.76
Kinder Level 2	1.52	0	1.52
Leisure Services Officer	18.3	7.43	25.73
Maternal Child Health Nurse	4.91	0	4.91
TOTAL	130.48	116.63	247.11

The average age of our workforce is 45 years and nearly 30 per cent of staff are aged over 50.

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 there is no discrimination relating to gender, age, disability, marital status, parenthood, race, colour, national extraction, social or ethnic origin, religion or political affiliation. Our equal opportunity policy and procedure reflects our commitment to ensuring a workplace free from discrimination for all Council representatives and provides guidance, advice and assistance in dealing with matters relating to prohibited discrimination including harassment, in a respectful and confidential manner.

LEARNING AND DEVELOPMENT

We have continued to focus on continuous learning and leadership development in 2015/16 with a variety of Learning and Development programs offered to employees.

Training included:

- First Day Corporate Induction
- Let's Talk Leadership
- Lunch and Learn sessions
- All Staff Briefings
- Certificate IV in Frontline Management
- Successfully Managing Equal Opportunity, Bullying and Diversity in the Workplace
- Privacy Awareness
- Leadership forums
- Writing for the Web
- Authentic Conversations
- Diploma of Management
- Community Engagement
- Time Management / Performance Planning
- Introduction to Local Government
- ASU Seminars
- Vision Super Seminars
- OH&S Online Training
- HPRM Online Training
- Technology One Purchase Order Training
- Technology One XL-One Training
- Technology One Budget and Forecasting Training

LEADERSHIP DEVELOPMENT

Council continued to access the Human Resources Leadership Council website, including leadership themed eLearning modules. The Leadership Capability Framework was developed in consultation with leaders and staff and has been implemented. This framework and associated strategies will continue to be used to build and drive positive leadership behaviours for current and future leaders at Mitchell.

18 employees graduated from the 2015 Accredited Leadership Development Program with a Diploma of Management and 2016 Certificate IV in Frontline Management.

HEALTH AND WELLBEING

As part of Council's commitment to being a great place to work, we manage a number of health and wellbeing programs including:

- Flu vaccinations for employees
- An Employee Assistance Program to assist with managing work/life issues
- Yoga during lunchtime

The Mitchell Food Policy was adopted and applies to staff, volunteers and visitors to Council facilities. The policy aims to increase the availability of healthy food and drink choices and to encourage and support the community to make food and drink choices that will impact positively on their health.

SUPPORTING A GOOD CAUSE

Casual for a Cause Fridays where staff make a gold coin donation and nominate a local charity to receive the funds raised. This year proceeds went to 1st Broadford Scouts, Children's First Foundation, Edgars Mission, Project Hope and Relay for Life – Seymour.

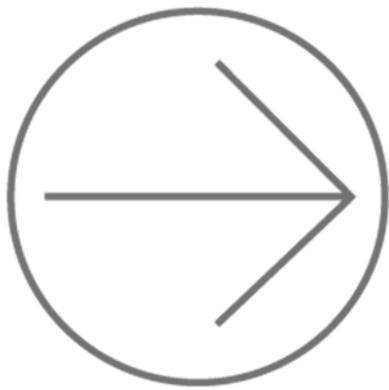
Other initiatives that have been supported throughout the year include Jeans for Genes Day, Australia's Biggest Morning Tea, SIDS and Kids' Red Nose Day, Fight Cancer Footy Colours Day, Premier's Active April.

In March 2016 Council staff raised \$1,000 to help our tree apprentice, Ryan Watson to travel to Manchester, England, to represent Australia in the World Dodgeball Cup.

OUR VOLUNTEERS

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.

In 2015/16, Council began developing a Volunteer Engagement Framework in partnership the Mitchell External Volunteer Advisory Panel. We also celebrated National Volunteer Week, held an annual volunteers' luncheon, launched a volunteering booklet and began developing a new volunteer portal. Council also updated its Funding and Service Agreements with Committees of Management.



Performance Reporting

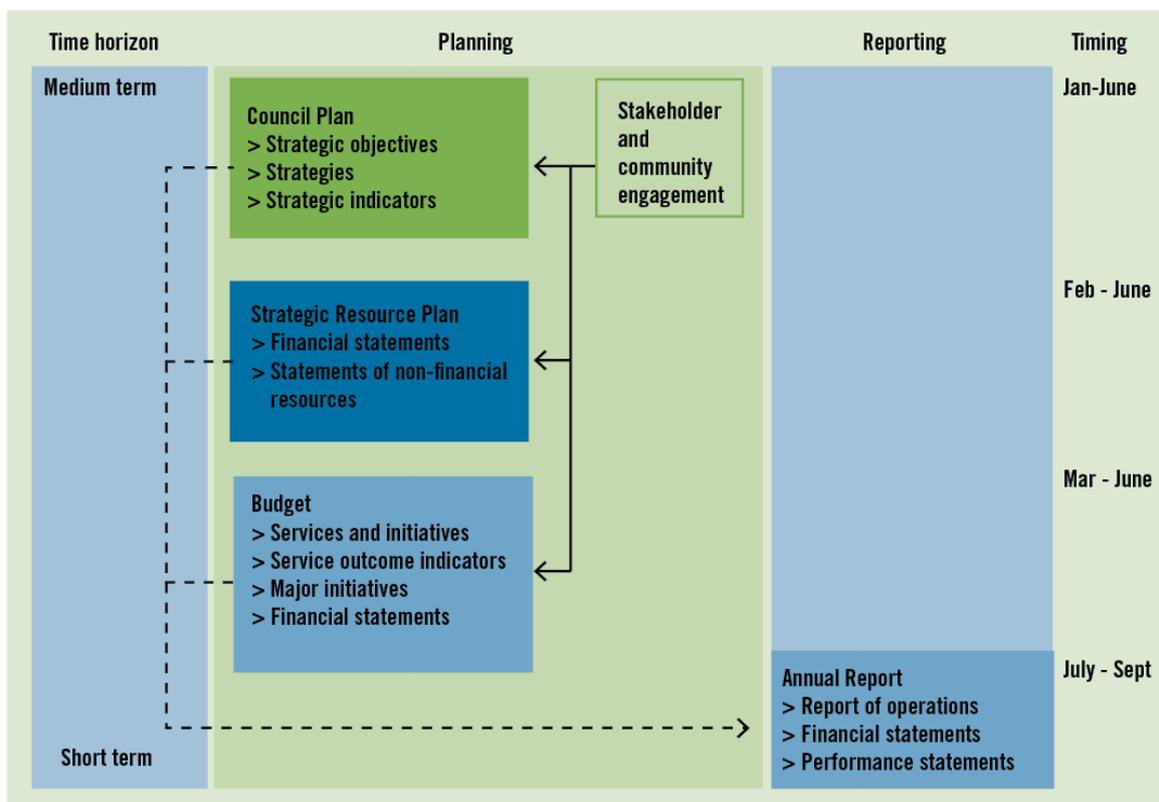
Reporting

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.

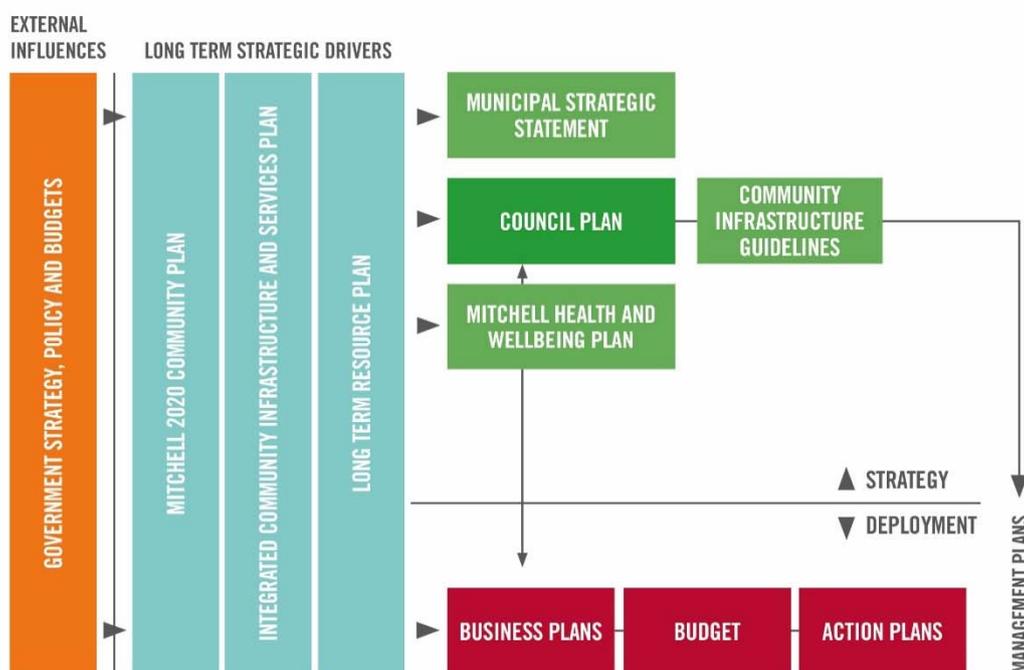


Our Integrated Planning and Reporting

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 2013-2017 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.

Council Plan Performance

Mitchell Shire Council is committed to reporting on progress towards achieving the Measures of Success in the Council Plan.

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 2013-2017 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 2013-2017 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 Delivering and providing support to programs and services that 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 strong governance and responsible financial management.

Strategic Objective 1

SUSTAINABLE GROWTH AND DEVELOPMENT



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 2015/16 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 and Assets Services	This service is responsible for providing Civil Engineering services for capital projects. It also incorporates subdivision plan checking and strategic transport assessments. It also manages Council's assets and tracks asset renewal expenditure and targets including the capital works projects.
Operations and Parks	This service is responsible for the maintenance of the Shire's infrastructure assets except parks and gardens. It includes roads, footpaths, bridges, drainage, street furniture and buildings. It also manages the Council plant and vehicle fleet, and for maintaining Council's parks, reserves, playgrounds, arboriculture and sports fields
Statutory Planning and Building	This service processes statutory planning applications, building approvals and also provides control and compliance under the relevant legislation.
Strategic Planning	This service delivers positive land use planning outcomes for current and future generations. It is also responsible for Growth Area Planning including planning and managing Section 173 Agreements and Precinct Structure Plans.

COUNCIL PLAN – FOUR YEAR MEASURES

The following is a review of 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	64%*	✘
Sealed local roads requests (the number of sealed local road requests per 100 kilometres of sealed local road)	≤236 per annum	17	✓
Improvement of local roads and footpaths:			
• Sealed road renewal	15,000 metres annually	29,675m	✓
• Unsealed road renewal	20,000 metres annually	45,300m	✓
• Maintenance grading of unsealed roads	1250 kilometres annually	1,351km	✓
• Footpath renewal	500 metres annually	653m	✓
Number of township Streetscape Blitzes undertaken	≥ 4 towns, annually	6	✓
Time taken to decide planning applications (median number of days between receipt of a planning application and a decision on the application)	< 115 days	84	✓

*The capital works program was re-prioritised during 2015/16 following the receipt of major external grant funding which brought forward five major projects whilst deferring the scheduling of major bridge works which have now been included in 2016/17. The strategic acquisition of land for open space in the south of the Shire has also been delayed.

COUNCIL PLAN – ANNUAL ACTION PLAN

The following is a review of the progress of the Council Plan 2013-2017 Annual Action Plan 2015/16.

ANNUAL ACTION PLAN	PROGRESS
<p>Structure Plans</p> <ul style="list-style-type: none"> • Develop a Seymour Structure Plan to guide long-term development opportunities for the town • Develop a Kilmore Structure Plan to guide the future location of growth and land use change • Develop a Wandong and Heathcote Junction Structure Plan to manage land use and development change • Complete a Revitalisation Plan for the Kilmore Town Centre (Sydney Street) Precinct 	<p>The Seymour Structure Plan commenced and 'Stage 1 Background and Issues' and 'Stage 2 Emerging Ideas' community consultation were completed.</p> <p>Work for the remainder of 2016 will focus on 'Stage 3 Draft Structure Plan', with the aim of completing a draft Structure Plan by the end of 2016, ready for consultation in early 2017.</p> <p>The Draft Kilmore, Wandong and Heathcote Structure Plans were exhibited in May 2016 following community consultation. Both Structure Plans, as well as the Kilmore Town Centre Plan, are on target to be finalised and adopted by August 2016.</p>
<p>Plan and implement the annual tree planting program</p>	<p>All trees have been purchased and delivered, with 100 out of 400 trees already planted for this winter. The winter planting program will continue until August 2016.</p>
<p>Plan and implement the annual sports field renovation program</p>	<p>The annual sports field renovation program was completed and included works on Greenhill Reserve, JJ Clancy Reserve, Chittick Park, and LB Davern Reserve.</p>
<p>Develop a 'Works in Road Reserve' Policy for non-road infrastructure managers, works managers, utilities and providers of public transport</p>	<p>A policy has been developed and will be presented to Council for adoption in 2016/17. A set of guidelines has also been produced that details Council's minimum standards and offers best practice guidance for works undertaken on Mitchell Shire roads.</p>
<p>Develop standards for non-road related works in the road reserve, including rehabilitation of road infrastructure carried out by non-road related infrastructure managers. Communicate these standards to internal departments and external non-road related infrastructure managers</p>	<p>Extensive benchmarking has been undertaken across a range of other Local Government Authorities and draft standards have been presented to the Road Infrastructure Working Group for review. It is anticipated that these Standards will be implemented by the end of 2016.</p>

ANNUAL ACTION PLAN	PROGRESS
Plan and implement Year 1 of Service Planning with service managers	<p>A service review was completed in December 2015 which reviewed the Operations Department including Roads and Facilities. Service planning for each of these areas will be completed in 2016/17.</p> <p>The Cleaning Contract for Facilities was reviewed during 2015/16 and included new service level and maintenance standards.</p>
Deliver Capital Works program including: Unsealed road renewal, Shoulder renewal program and Leachate dam upgrades at Hilldene and Seymour landfills	The Unsealed Road Renewal Program including shoulder re-sheeting was completed in June 2016. The first stage of the Seymour Landfill rehabilitation was completed in May 2016 and a rehabilitation plan was also developed and submitted for approval from the EPA. Tendering for the remaining stages of the project will commence in the first quarter of 2016/17. A tender for the Mitchell Landfill leachate works has been awarded. However, as a consequence of high rainfall on site throughout winter, the site has been too wet to complete the required earthworks in 2015/16. The project will be completed as soon as the site dries out.
<p>Delivery of Infrastructure Capital Works program including: Road re-construction, Drainage improvements, Footpath works,</p> <p>Communicate the progress of these projects via the Council website</p>	<p>96 per cent of the value of infrastructure projects has been either delivered successfully in the 2015/16 financial year or has been committed for delivery early in 2016/17 financial year.</p> <p>Significant projects were featured on the Council website and their progress updated, with a full list of capital works projects listed in the Council Budget.</p>
Develop a prioritised list of unsealed roads for sealing having regard for possible future funding sources including Developer Contributions, Special Charge Schemes and Public Funds	Priority road sealing projects have been identified and included in the 10-year capital works program. Priority projects are mainly identified by the level of use they experience (vehicles per day) and their role or function in the road network (collector road or local access road). Other factors that are considered include the current maintenance costs and the payback period for any upgrade works.

MAJOR BUDGET INITIATIVES

The following is a review of performance against the Major Initiatives set in the 2015/16 Budget.

BUDGET INITIATIVE	PROGRESS
Service level planning and review of maintenance standards for roads and facilities	On target. Please refer to Council Plan - Annual Action Plan 2015/16 update.
Commencement of, and implementation of, waste strategy actions including a focus on reducing dumped rubbish and litter	<p>The Waste Management Strategy was adopted in December 2015 following community and stakeholder consultation.</p> <p>Year 1 Waste Strategy actions have commenced including:</p> <ul style="list-style-type: none">• Adoption of a Kerbside Collection Zone Policy• Review of waste fees and charges• Progression of landfill rehabilitation projects• Investigation of a potential food organics kerbside service• Advocacy for increased waste infrastructure• Investigation and media, social media and e-newsletter articles relating to dumped rubbish <p>Year 1 actions are due for completion by January 2017 in accordance with the Waste Strategy.</p>
Completion of Kilmore, Wandong and Heathcote Junction Structure Planning	On target. Please refer to Council Plan - Annual Action Plan 2015/16 update.
Implementation of Wallan Structure Plan	<p>The final Wallan Structure Plan was endorsed and adopted in December 2015. The associated Amendment C108 (implementing the Structure Plan within the Mitchell Planning Scheme) was gazetted in May 2016.</p> <p>Priority Project 2 (Wallan Town Centre Masterplan and Urban Design Framework) commenced in December 2015 and is on target for completion before the end of 2016.</p>

BUDGET INITIATIVE	PROGRESS
Commencement of Seymour Structure Plan	On target. Please refer to Council Plan - Annual Action Plan 2015/16 update.
Seymour Flood Mitigation Project (stage 2) - involves strategic planning for the acquisition of land and construction for the Seymour Flood Levee	A Detailed Design consultant has been appointed and will commence discussions with affected land owners and the broader community over the coming months. This detailed design will inform the requirements of the Public Acquisition Overlay for the Planning Scheme Amendment. Planning Scheme Amendment will commence early 2018.
Kilmore Lancefield Road Footpath Construction - construction of footpath to connect the Willowmavin Estates west of Kilmore to the school crossing on Kilmore-Lancefield Road	The project is 75 per cent complete as at 30 June 2016. Final negotiations with private land owner are still underway to enable the construction of the remaining 25 per cent of this missing link footpath.

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	Comments
Roads			
Satisfaction of use			
<p><i>Sealed local road requests</i></p> <p>[Number of sealed local road requests / Kilometres of sealed local roads] x100</p>	23.40	16.62	<p>The reduction in sealed local requests is most likely due to recent road reconstruction works being carried out on some of Council's busiest roads; for example: Darraweit Road and William Street in Wallan.</p> <p>Improvements to these roads and others has driven down the overall number of customer requests that Council receives for the sealed local road network.</p>
Condition			
<p><i>Sealed local roads below the intervention level</i></p> <p>[Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads] x100</p>	93.62%	58.68%	<p>Road condition audits are conducted every three years. At the end of a three-year cycle, we would expect to be close to 100%. In 2015/16, we started a new three-year cycle. We would expect this result to again be closer to 100% at the end of the three-year cycle in 2017/18.</p> <p>Increased investment in the sealed road network over the next three years is critical to ensure these road assets remain below intervention level.</p>

Service/indicator/measure	2014/15 Result	2015/16 Result	Comments
Service cost			
<p><i>Cost of sealed local road reconstruction</i></p> <p>[Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]</p>	\$50.04	\$120.08	<p>Costs for road reconstruction can vary depending on the type and location of the road. For example, urban standard road reconstruction is significantly more expensive than rural road reconstruction due to additional elements like kerb and channel, underground drainage and hot mix asphalt being used. Road reconstruction projects carried out over the past year were predominantly urban standard construction which explains the higher unit rate experienced over the past 12 months. 2015/16 financial year projects included Rail Street and Highlands Road Seymour; Darraweit Road and William Street Wallan; and Kings Lane Kilmore.</p>
Service Cost			
<p><i>Cost of sealed local road resealing</i></p> <p>[Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]</p>	\$84.61	\$37.94	<p>The quantity of asphalt resealing in 2015/16 is small, resulting in a very small sample size. Awarding these works to a single contractor resulted in lower per unit rates than last year.</p>
Satisfaction			
<p><i>Satisfaction with sealed local roads</i></p> <p>[Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]</p>	43	37	<p>The timing of the survey coincided with Council's rate capping survey and results dropped across all indicators. Council is committed to improving this result for 2016/17.</p>

Service/indicator/measure	2014/15 Result	2015/16 Result	Comments
Statutory Planning			
Timeliness			
<p><i>Time taken to decide planning applications</i></p> <p>[The median number of days between receipt of a planning application and a decision on the application]</p>	85	84	<p>Council made 422 planning application decisions in the reporting period with a median of 84 gross days. This is comparable with the 2014/15 period where 85 was the median. 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.</p>
<p><i>Planning applications decided within 60 days</i></p> <p>[Number of planning application decisions made within 60 days / Number of planning application decisions made] x100</p>	71.96%	82.94%	<p>Of the 422 planning application decisions made, 350 applications were decided within 60 statutory days. Our result is a further improvement of approximately 15% when compared with 2014/15. 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>

Service/indicator/measure	2014/15 Result	2015/16 Result	Comments
Service cost			
<i>Cost of statutory planning Service</i>	\$1,774.66	\$2,237.63	The cost per application for the service has increased as a result of various factors including a redundancy, increased salaries, additional land valuations; and community engagement including an Improving Perceptions Project.
[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%	Only 4 (1%) of the 422 planning application decisions made went to VCAT for review and half of those were upheld in favour of Council.
[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			

THE YEAR AHEAD

The following actions have been prepared for 2016/17 to support the achievement of our strategic objectives and priorities in the four-year Council Plan. 2016/17 is the final year of the current four-year Council Plan.

2016/17 PRIORITY ACTIONS

1. Develop and implement Structure Plans for the key townships of Kilmore, Wandong and Heathcote Junction, Wallan and Seymour.
2. 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.
3. Plan for and deliver the Mandalay Community Centre.
4. Collaborate with the Metropolitan Planning Authority on Precinct Structure Plans in Wallan and Beveridge.
5. Implement the Sealed and Gravel Road re-sheeting program.
6. Deliver Infrastructure Capital Works program including road reconstruction, drainage improvements and footpath works.
7. Deliver Capital Works program including sealed and unsealed road and shoulder renewal.

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 2015/16 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 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 provides education and enforcement for animal management, parking management, asset protection, local laws, school crossing supervisors and fire prevention.
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.

SERVICE	DESCRIPTION
Leisure Services	<p>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.</p>
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>
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 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%	N/A	N/A ¹
Percentage of the population that are active library members	≥13%	13%	✓
Utilisation of aquatic facilities (number of visits to aquatic facilities per head of municipal population)	≥5.3	6.34	✓
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%	100%	✓
	Class 2 70%	70%	✓
Delivery of All Abilities Access Works Program	100%	100%	✓
Delivery of Municipal Youth Strategy	70% of actions delivered in Years 2-4	90%	✓

¹ In 2016 there was an initiative to transition the majority of Victorian councils offering Maternal and Child Health services to a new database. The database is not expected to provide reliable information until the end of September 2016. Therefore, Council is unable to report this data for 2015/16.

COUNCIL PLAN – ANNUAL ACTION PLAN

The following is a review of the progress of the Council Plan 2013-2017 Annual Action Plan 2015/16.

COUNCIL PLAN INITIATIVES	PROGRESS
Implement Year 3 of the Access and Inclusion Disability Action Plan 2013-2017, inclusive of the implementation and upgrade of Council infrastructure identified in the 2015/16 Capital Program to improve access, inclusion and participation for people with disabilities and in accordance with the approved budget	<p>34 events undertaken by FReeZA, Youth Council and Youth Services promoting access and inclusion of young people of all abilities, including International Day of People with Disability - Access all Areas film festival with students from Mitchell Shire Primary Schools.</p> <p>Several infrastructure upgrades completed including kerb ramp at the Pyalong Neighbourhood House, accessible parking in Wandong, and the AAA Improvement Project at Hadfield Park Wallan, due for completion in November 2016.</p> <p>A significant pool of resources was developed, including the new Access and Inclusion page on Council's website, Accessible Events Toolkit, Mobility Maps, Good Access is Good Business booklet, and Communications Boards.</p>
Implement Year 4 of the Mitchell Early Years Plan 2012-2016	<p>New child/staff ratios have been successfully implemented across all Kindergartens, with full enrolment and waitlists in some centres.</p> <p>The Childhood Immunisation program continues to deliver eight sessions per month throughout the shire. In 2015/16 a total of 2,326 vaccines were administered to children. The secondary school immunisation program was delivered at six secondary colleges within the shire. In 2015/16 a total of 3,182 vaccines were administered secondary students. Council's staff and industry flu vaccine program administered 581 flu vaccines in 2015/16.</p> <p>Our MCH Service joined 59 other councils and regional health services in rolling out the State Government's Child Development Information System (CDIS) which was designed to produce higher quality health data to support family assistance and assist vulnerable children.</p> <p>Out of Home Care Program has been implemented and has improved information sharing between networks involved with the care of these families.</p> <p>Successful implementation of Communities Latching onto Breastfeeding Project. This program gains support from the community around safe places for women to breastfeed.</p>

COUNCIL PLAN INITIATIVES**PROGRESS**

Implement Year 2 of the Municipal Youth Strategy 2014-2017

Mitchell's new Youth Council was sworn in in July, and Youth Councillor Angelica Skora received Mitchell's Young Citizen of the Year Award. Construction commenced on the new Broadford Youth Space Development, which is due for completion in September 2016, and our existing Youth Rooms instituted a water only policy. A significant number of Youth-focused events were held across our municipality.

Activities for musicians and artists included the Wallan Library Youth Space artwork, McIntyre Underpass mural and the Neighbourhood House Community Garden Stencil workshop in Wallan, the Battle of the Bands regional final, and MusoMagic. Council also hosted the National Youth Week Food Truck Festival, Healthy Living and Lifestyle Worksop (Wallan), the Regional Youth Retreat and the Puckapunyal Welcome and Information Expo. Council also supported a Colour Dash fundraiser, skate workshops and the Cyber Tattoo: It's There for Life campaign which involved 1,160 students followed up by the Victoria Police Personal Safety and Bullying Workshop (Wallan).

Implement Year 2 Mitchell Aquatic Strategy priorities and actions by specified timeframes in accordance with the approved budget

All priority actions for Year 2 of the Aquatic Strategy were implemented during 2015/16. This included the commencement of the \$1.95 million. Children's Playspace and Splashpad in Hadfield Park for Wallan. This project is due for completion in 2016/17.

Implement Year 3 Mitchell Open Space Strategy priorities and actions by specified timeframes in accordance with the approved budget

The Mitchell Open Space Strategy Action Plan was adopted incorporating the expansion of the Hadfield Park Play Space action and two new actions for the Moore Court Reserve Play Space and Greenhill Pavilion upgrade after government grants were received.

Of the 20 actions, 17 have been completed, two policy based ones were deferred to deliver higher priority grant funded projects and the Greenhill master plan has been deferred pending land acquisition.

Highlights include Interface Grant funding of \$1.72 million towards sport and recreation projects totalling \$2.62 million, significant review and improvement work with Committees of Management and delivery of Broadford Sports Pavilion.

COUNCIL PLAN INITIATIVES**PROGRESS**

Implement Year 2 Mitchell Arts, Culture and Events Strategy priorities and actions by specified timeframes in accordance with the approved budget

The Creative Conversations forum and exhibition was made possible due to a partnership between Council and Regional Arts Victoria, Nexus Primary Health, Whittlesea City Council and Mitchell Community Resources and Advocacy Group. Activities during the two-day program explored the potential for art to assist in the healing and recovery processes when communities are impacted by trauma and loss.

Continuing work with the Kilmore Art Society and Kilmore Chamber of Commerce saw Council endorse Stages 1, 2 and 3 of the Kilmore Heritage and Art Trail, including the "Let's Go Land" squadron of planes for Sam DeGabrielle Reserve.

Partnering with Regional Arts Victoria's Home is Where the Hall Is program, Kilmore Memorial Hall hosted the Mad Hatter's Tea Party in November 2015.

Chambers Gallery Space in Broadford continues to showcase a broad range of local artists.

Implement Year 2 Mitchell Learning and Library Strategy priorities and actions by specified timeframes in accordance with the approved budget

The 2015/16 Action Plan identified 18 key projects which resulted in a streamlined, more efficient capacity to deliver services. Five priority areas were delivered including improvements to WiFi networks, improvements to children's spaces, the refinement of library programs to better reflect community demand and a review to ensure greater financial sustainability of the service across the four sites.

Council also reviewed operating hours during the year to help identify budget savings for 2016/17.

Implement Year 3 of the Municipal Health and Wellbeing Plan 2013-2017, including actions linked to the Cultural Diversity Plan and the Live Well for Life Strategy

Mitchell played host to a range of Seniors activities including the Seniors Week and the Annual Concert. The Grey Medallion Program was launched at leisure centres, and a quarterly Seniors Newsletter was introduced. Council was successful with an application for the Age Friendly Communities Grant to consult with older people regarding interests and barriers to participation.

The Mitchell Volunteer Framework was developed and the Volunteer booklet was launched at a luncheon attended by 160 volunteers and community members.

The Mitchell Food Policy was adopted. This promotes healthy food and drink choices at council facilities, workplaces and sponsored events.

COUNCIL PLAN INITIATIVES**PROGRESS**

Undertake an annual review of the Domestic Animal Management Plan

Investigate and implement annual actions

The Domestic Animal Management Plan was reviewed and annual actions implemented.

Council's pound services have been reviewed and improvements have been made to the facility. Council has also entered into agreements with local vets, kennels and catteries to assist with animal management. Reviews have been carried out with respect to rehoming of animals with local providers and Council is exploring options for rehoming animals direct with the public. Council is also working with local environment groups to minimise the impact of feral cats on wildlife.

A review of registrations fees was also undertaken to make it easier and more affordable for responsible pet owners and to encourage additional registrations.

Whilst 71 fewer dogs were impounded during 2015/16, the number of cats impounded increased by 31.

Unfortunately, as a rule, cats are reclaimed less frequently than dogs, however, by working with our local feline rescue organisations, rehoming of cats increased by 11.55%.

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.

MAJOR BUDGET INITIATIVES

The following is a review of performance against the Major Initiatives set in the 2015/16 Budget.

BUDGET INITIATIVE	PROGRESS
Undertake an annual review of the Municipal Fire Management Plan (See also Strategic Objective 4)	Council continues to refine internal Emergency Management policies and processes, including Animal and Heat Management planning, and the draft Fire Danger Rating Protocol. Council has also been working with CFA to review Fire Access Tracks and CFA Static Water Supplies, and Victoria Police on Evacuation Maps for seven communities in Mitchell.
Undertake an Annual review of the Domestic Animal Management Plan Investigate and implement annual actions	On target. Please refer to the Council Plan - Annual Action Plan 2015/16 update.
Develop a Compliance and Enforcement Framework and Strategy	This project was deferred during the year while a review of this service was conducted and realignment of roles occurred in the Community Compliance Team, to improve delivery of this service.
Early Learning facility at Wallan Primary School - construction of a two room facility	Construction of the fully grant funded \$3.7 million Wallan Integrated Early Learning Centre is underway. The new centre is co-located with the Wallan Primary School creating the first co-located early education precinct in Mitchell Shire. Delivery of the facility is possible through a partnership between the State Government's Department of Education and Training (DET), Department of Environment, Land Water and Planning (DELWP) and Mitchell Shire Council. Construction is due for completion in December 2016.
Sports Pavilion Broadford Leisure Precinct - provide a relocatable change room pavilion to service the needs of soccer in Broadford	Works were completed in June 2016. The new facility will provide much needed facilities for soccer and enable use by other sporting clubs as well as providing a community meeting space.
Strategic Land Acquisition in the South of the Shire to enable future development of community infrastructure and open space	Council has been negotiating to purchase land as part of an expanded Greenhill active open space reserve for the growing community of Wallan. Council is preparing to pursue compulsory acquisition in early 2016/17.

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	Comments
Animal Management			
Timeliness			
<i>Time taken to action animal management requests</i>	N/A	2.99	While we were not required to report on this indicator last financial year, by monitoring this and implementing process improvements throughout the 2015/16 financial year, we have seen the time taken to action animal management requests almost halve, from 5.8 days to 2.99 days.
[Number of days between receipt and first response action for all animal management requests / Number of animal management requests]			
Service standard			
<i>Animals reclaimed</i>	61.73%	55.04%	Whilst 71 fewer dogs were impounded during 2015/16, the number of cats impounded increased by 31.
[Number of animals reclaimed / Number of animals collected] x100			
Service cost			
<i>Cost of animal management service</i>	\$44.23	\$50.24	The cost of the animal management service has increased during 2015/16. A change in structure and an increase in enforcement resourcing, have impacted the cost of the service. In addition, greater vet bills, cost of food and daily care of animals have all had an impact.
[Direct cost of the animal management service / Number of registered animals]			
Health and safety			
<i>Animal management prosecutions</i>	10	19	It is difficult to anticipate the volume of prosecutions each year. By presenting comprehensive evidence, 14 of 19 matters were pled guilty at first mention and the remaining five were found proven and/or guilty pleas made at further mention.
[Number of successful animal management prosecutions]			

Service/indicator/measure	2014/15 Result	2015/16 Result	Comments
Aquatic Facilities			
Satisfaction			
<i>User satisfaction with aquatic facilities (optional)</i>	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	There were five routine health inspections during 2015/16 - 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	There were no reportable safety incidents across our five aquatic facilities during the period. This is an improvement on our 2014/15 result. WorkSafe conducted routine audits at all of our aquatic facilities, approving upgrades to health and safety equipment at two of them. 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	Council operates two indoor aquatic centres. Improved programs, activities and events have increased visitation and operational efficiencies helped keep expenses below Council's budget targets. Increased use of seasonal passes has increased the number of visits to our facilities, however our revenue does not increase at the same rate.
[Direct cost of indoor aquatic facilities less income received / Number of visits to indoor aquatic facilities]			

Service/indicator/measure	2014/15 Result	2015/16 Result	Comments
Aquatic Facilities			
Service Cost			
<i>Cost of outdoor aquatic facilities</i>	\$18.14	\$17.21	Council operates three outdoor pools. A very successful <i>Friends of the Pool</i> program at one of them saw a reinvigorated facility that experienced an increase in patronage, despite average temperatures throughout summer. Increased use of seasonal passes has increased the number of visits to our facilities, however our revenue does not increase at the same rate.
[Direct cost of outdoor aquatic facilities less income received / Number of visits to outdoor aquatic facilities]			
Utilisation			
<i>Utilisation of aquatic facilities</i>	5.55	6.41	A stronger focus on events and popular programs helped increase attendance with 38,916 extra visits in the 2015/16 financial year through our three outdoor pools, two indoor pools and associated leisure centres, despite average temperatures.
[Number of visits to aquatic facilities / Municipal population]			

Service/indicator/measure	2014/15 Result	2015/16 Result	Comments
Food Safety			
Timeliness			
<i>Time taken to action food complaints</i> [Number of days between receipt and first response action for all food complaints / Number of food complaints]	N/A	1	This data was not required to be reported on during 2014/15 financial year. Our Environmental Health Department action all food complaints within one working day of receipt of a complaint.
Service standard			
<i>Food safety assessments</i> [Number of registered class 1 food premises and class 2 food premises that receive an annual food safety assessment in accordance with the Food Act 1984 / Number of registered class 1 food premises and class 2 food premises that require an annual food safety assessment in accordance with the Food Act 1984] x100	48.92%	70.05%	Despite an increase in the number of premises requiring a food safety assessment, from 186 in 2014/15 to 207 in 2015/16, by investing in our Environmental Health Service, there has been a significant improvement in the delivery of this service.
Service cost			
<i>Cost of food safety service</i> [Direct cost of the food safety service / Number of food premises registered or notified in accordance with the Food Act 1984]	\$521.06	\$795.21	Kernow Environmental Services were contracted to Mitchell in July 2015 to provide Environmental Health Services. An increase in productivity, as is evidenced in both the number of food safety assessments and the follow-up of major and critical non-compliance notifications, has however also increased our operational cost.
Health and safety			
<i>Critical and major non-compliance outcome notifications</i> [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100	19.83%	100.00%	After underperforming in the area during 2014/15, Council set a minimum target of 80% for this indicator. Kernow Environmental Services was contracted by Council in July 2015 and have achieved a result of 100% for 2015/16.

Service/indicator/measure	2014/15 Result	2015/16 Result	Comments
Libraries			
Utilisation			
Library collection usage [Number of library collection item loans / Number of library collection items]	3.10	2.78	The library collection is made up of a broad range of books and an increasing number of eResources, distributed between our four library sites. We have a total of 59,668 items in our collection with 166,115 loans during 2015/16. There has been a decrease in the number of loans during 2015/16, and as demand for a digital collection increases, our library service must increase the proportion of eResources in our collection to provide a relevant and robust collection that will match the needs of our community.
Resource standard			
Standard of library collection [Number of library collection items purchased in the last 5 years / Number of library collection items] x100	49.72%	53.86%	Mitchell Shire Libraries are committed to ensuring our library collections are modern and reflect our community's expectations to access current and high quality material and resources. This past year we have ensured a strategic weeding program with 11,445 items being retired. It is important to note that we also have a significant military collection and some smaller history collections which are no longer in print and are unable to be updated. The commitment to increase our digital items including eAudio, eMagazines and our standard eBooks has also influenced the positive increase in our results in this measure.

Service/indicator/measure	2014/15 Result	2015/16 Result	Comments
Libraries			
Service cost			
<i>Cost of library service</i>	\$7.42	\$5.42	Mitchell Shire provides four libraries in the main town centres of Broadford, Kilmore, Seymour and Wallan. These libraries service our population of 39,413. Our libraries had 191,191 visits during the reporting period compared with 172,441 in the previous period. As a result of a review of our Customer and Library Service Department, and implementation of operational efficiencies, we have seen a significant decrease in the direct cost for this service.
[Direct cost of the library service / Number of visits]			
Participation			
<i>Active library members</i>	15% ²	12.57%	4953 active library members borrowed an item from the library collection during the reporting period, including eResources, compared to 5776 in 2014/15.
[Number of active library members / Municipal population] x100			

² This figure has been altered from the previous year's result of 19.04%, due to a data error

Service/indicator/measure	2014/15 Result	2015/16 Result	Comments
Maternal and Child Health (MCH)			
Satisfaction			
<i>Participation in first MCH home visit</i>	103.20%	No data	In 2016 there was an initiative to transition the majority of Victorian councils offering Maternal and Child Health services to a new database.
[Number of first MCH home visits / Number of birth notifications received] x100			The database is not expected to provide reliable information until the end of September 2016. Therefore, Council is unable to report this data for 2015/16.
Service standard			
<i>Infant enrolments in the MCH service</i>	100.00%	No data	In 2016 there was an initiative to transition the majority of Victorian councils offering Maternal and Child Health services to a new database.
[Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received] x100			The database is not expected to provide reliable information until the end of September 2016. Therefore, Council is unable to report this data for 2015/16.
Service cost			
<i>Cost of the MCH service</i>	\$0.00	\$33.64	2014/15 Mitchell Shire was not required to report on the direct cost for this service. We provide a lean and efficient service while meeting the Nurse/child ratios of 1:130 as agreed to in the Enterprise Bargaining Agreement. Our low cost may be contributed to by unfilled FTE and not backfilling all leave during 2015/16.
[Cost of the MCH service / Hours worked by MCH nurses]			

Service/indicator/measure	2014/15 Result	2015/16 Result	Comments
Maternal and Child Health (MCH)			
Participation			
<i>Participation in the MCH service</i> [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	79.17%	No data	In 2016 there was an initiative to transition the majority of Victorian councils offering Maternal and Child Health services to a new database. The database is not expected to provide reliable information until the end of September 2016. Therefore, Council is unable to report this data for 2015/16.
Participation			
<i>Participation in the MCH service by Aboriginal children</i> [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	81.13%	No data	In 2016 there was an initiative to transition the majority of Victorian councils offering Maternal and Child Health services to a new database. The database is not expected to provide reliable information until the end of September 2016. Therefore, Council is unable to report this data for 2015/16.

THE YEAR AHEAD

The following actions have been prepared for 2016/17 to support the achievement of our strategic objectives and priorities in the four-year Council Plan. 2016/17 is the final year of the current four-year Council Plan.

2016/17 PRIORITY ACTIONS

1. Implement Year 4 of the Mitchell Open Space Strategy 2013-23 priorities and actions by specified timeframes in accordance with the approved budget.

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

3. Deliver the replacement of library books program.

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

5. Implement the Mitchell Shire Council Volunteer Framework.

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

7. Deliver the Harley Hammond Oval Renovation (Stage 2).

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

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

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

11. Implement revised funding and service agreements with Committees of Management.

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

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 2015/16 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 performance against the Measures of Success in the four-year Council Plan.

MEASURE	TARGET	RESULT	
Community Satisfaction Survey Advocacy Score	>2011 result of 45	40*	x
Development and delivery of Economic Development Strategy 2015-2020	Plan developed	100%	✓
Percentage of planned Council business development activities delivered	≥ 80%	85%	✓

* The timing of the survey coincided with Council's rate capping survey which contributed to a drop across all indicators. Council is committed to improving this result for 2016/17.

COUNCIL PLAN – ANNUAL ACTION PLAN

The following is a review of the progress of the Council Plan 2013-2017 Annual Action Plan 2015/16.

COUNCIL PLAN INITIATIVE	PROGRESS
Finalise and adopt the Mitchell Economic Development Strategy. Implement Year 1 actions by specified timeframes	The Mitchell Economic Development Strategy was developed during 2015/16 and adopted by Council in June 2016 following community consultation. The timing of the finalisation of the strategy was delayed due to staffing changes during the year. Actions for Year 1 will now be undertaken during 2016/17. Many of the ongoing activities identified in the Strategy have commenced in 2015/16.
Continue to implement Council's advocacy framework to positively influence community outcomes, particularly those associated with better community transport	Accessible parking improvements have been made at the Pyalong Neighbourhood House and nearby rest stop, Station Street in Seymour and the new Broadford Soccer Pavilion.
Lead collaboration with the Department of Environment Land Water and Planning, Department Treasury and Finance, Motorcycle Victoria, CFA and other stakeholders on the activation of key government owned land within the Broadford township	<p>Redevelopment of the Old Police Station site in Broadford is progressing well, with the new Broadford Youth Space to be launched in September 2016.</p> <p>Council, in partnership with Motorcycling Victoria, has received a \$50,000 grant from Regional Development Victoria to undertake the Stage 2 feasibility study for the expansion of the State Motor Sports Complex and development of Council owned land adjacent to the facility. The government grant complements the \$25,000 contribution made by both Council and Motorcycling Victoria to this project. Planning for this project commenced in Q4. It is expected the feasibility study will be completed in July 2017.</p> <p>Council has also resolved to enter into a Heads of Agreement for the sale of part 45-51 Hamilton Street Broadford (Old Wool scour site) to the CFA. All Council related processes are ready to commence pending confirmation of the exact site size requirements from the CFA.</p> <p>Discussions in relation to the Pine Plantation Broadford are ongoing with key stakeholders, but require resolution of some native title issues which are currently being progressed by the State Government.</p>

MAJOR BUDGET INITIATIVES

The following is a review of performance against the Major Initiatives set in the 2015/16 Budget.

BUDGET INITIATIVE	PROGRESS
Lead collaboration with the Department of Environment Land Water and Planning, Department Treasury and Finance, Motorcycle Victoria, CFA and other stakeholders on the activation of key government owned land within the Broadford township	On target. Please refer to Council Plan - Annual Action Plan 2015/16 update.

SERVICE PERFORMANCE INDICATORS

There were no prescribed service performance indicators for this area for 2015/16.

THE YEAR AHEAD

The following actions have been prepared for 2016/17 to support the achievement of our strategic objectives and priorities in the four-year Council Plan. 2016/17 is the final year of the current four-year Council Plan.

2016/17 PRIORITY ACTIONS

1. Implement Year 1 of the Mitchell Economic Development Strategy priorities and actions by specified timeframes in accordance with the approved budget.
2. Update and implement Council's advocacy framework to positively influence community outcomes.
3. Continue to support regional tourism bodies and activities to maximise opportunities within the visitor economy.

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 2015/16 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.
Emergency Management	<p>This service is responsible for emergency management partnerships and for delivering Council's legislated emergency management obligations.</p> <p>This service also coordinates the Municipal Emergency Management Planning Committee which includes representatives from Council, response agencies (such as Victoria Police), recovery agencies (such as the Department of Health and Human Services) and local community groups involved in emergency management issues.</p> <p>The committee oversees the development and maintenance of the Municipal Emergency Management Plan which outlines strategies for how council and the other responsible agencies will prevent, prepare for, respond to and recover from emergencies within Mitchell Shire.</p>
Waste Management	This service is responsible for kerbside collections, the operation of landfill sites and four resource recovery centres. This service also provides waste education and strategies.

COUNCIL PLAN – FOUR YEAR MEASURES

The following is a review of 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	298	✓
Environmental Education Programs and activities undertaken	≥ 5 environmental days held	15	✓
	Environmental information provided through five extension mediums	13	✓
Kilometres of roadside weeds controlled	≥120km	200km	✓
	≥ 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%	34%	✓
Reduction of greenhouse emissions from Council operations on 2009/10 levels	20% reduction by 2020/21	No data available	

COUNCIL PLAN – ANNUAL ACTION PLAN

The following is a review of the progress of the Council Plan 2013-2017 Annual Action Plan 2015/16.

COUNCIL PLAN INITIATIVE	PROGRESS
<p>Continue to enhance and improve Council's emergency management capacity</p> <ul style="list-style-type: none"> • Review of Municipal Emergency Management Plan (MEMP) and audit • Review and update of sub-plans • Training and Development Plans • Community education and awareness 	<p>See also Strategic Objective 2</p> <p>Successful completion of MEMP audit on 2 September 2015 with the Municipal Emergency Management Planning Committee accepting the Audit Report and recognising the efforts of the working group to achieve an assessment of: "Complies fully or more that adequately with the Guidelines".</p> <p>Undertook Neighbourhood Safer Place Site assessments/reassessments as part of our ongoing monitoring of the compliance of our sites.</p> <p>Annual review of Emergency Relief/Recovery Centres and Neighbourhood Safer Places. Plans completed - Animal Management, Heat, Municipal Fire Management (in progress).</p> <p>A review of the Council's Code Red Policy saw the commencement of the development of the draft Fire Danger Rating Protocol for staff.</p> <p>Council, in partnership with the CFA, commenced a review of all Fire Access Tracks and CFA Static Water Supplies, which is expected to be completed in September 2016.</p> <p>Mapping for Fuel Management Plans for Council reserves and parkland has been completed and, in partnership with Victoria Police, Evacuation Maps for seven communities were prepared.</p>
<p>Deliver the annual prioritised height and width clearance program on Council managed roads, in accordance with the agreed budget, to ensure the safe passage of vehicles</p>	<p>The annual Height and Width program was conducted and 188km of roadside has received treatment.</p> <p>Council's Works Maintenance Department reviewed how the program was delivered, and this helped us to identify how our contracts could be better structured to deliver the works more efficiently.</p> <p>By incorporating a range of clearance works at the same time, prioritising works differently and using tractor mounted reach mowers for larger sections of roadside where overhead growth is not an issue, we were able to gain cost effective outcomes that provided 180 kilometres of height and width clearance with greater time savings.</p>

COUNCIL PLAN INITIATIVE	PROGRESS
<p>Continue to review and improve the fire prevention program including undertaking an annual review of the Municipal Fire Management Plan</p>	<p>The Municipal Fire Management Plan has been reviewed and updated.</p> <p>The private block inspection program was modified in 2015/16 to exclude township properties to improve efficiency of the inspection program. This resulted in approximately 3000 fewer inspections. This, combined with the slower growth season, improved property management and greater awareness resulted in a 37 per cent reduction in fire prevention notices being issued when compared to last year and a 54 per cent reduction when compared with 2013/14. Additionally, 67 per cent fewer infringements were issued when compared to last year and 75 per cent fewer than 2013/14.</p> <p>Mapping of the roadside program has been completed and consultation with brigades undertaken. Roadside works were successfully managed and Council was able to navigate through the system to obtain approval for fuel reduction works at the Pyalong Neighbourhood Safer Place which was collaborative project with other agencies.</p>
<p>Advocate for funding for fire prevention, access and response infrastructure through the Fire Access Road Subsidy Scheme</p>	<p>Council installed two water tanks in Clonbinane through the Fire Access Road Subsidy Scheme (FARRS).</p>
<p>Begin Stage 1 of the rehabilitation of the Seymour closed landfill which is in accordance with EPA Best Practice for Environmental Management</p>	<p>Stage 1 rehabilitation work at Seymour Landfill achieved practical completion in March 2016. The scope of works and design was being provided to the Environmental Protection Agency (EPA) in April for approval in accordance with EPA Best Practice for Environmental Management. Stage 2 is due to commence in November 2016.</p>
<p>Undertake a minimum of five waste education programs that encourage environmental best practice</p>	<p>Nine community and school/kindergarten-based waste reduction programs were undertaken this year which attracted approximately 140 participants.</p>
<p>Support Clean Up Australia Day 2016</p>	<p>Clean Up Australia Day was held in March 2016 with sites registered at Hudson Park, Kilmore, Kings Park, Seymour, Telegraph Road, Seymour, Around Broadford, Wallara Waters, Mt Disappointment, Memorial Park, Wandong, King Street Reserve.</p> <p>Council provided 42 bags and 25 sets of gloves, and a further 42 high visibility vests and 17 handled rubbish pickers were on loan during the activity. 28 bags of rubbish were collected and 20 tipping vouchers used to dispose of what was collected.</p>

COUNCIL PLAN INITIATIVE	PROGRESS
Implement Year 2 of the Mitchell Shire Environment Strategy (within budget)	<p>Year 2 actions are 96 per cent complete with the remaining 4 per cent ongoing.</p> <p>Highlights included environmental education publications including the Weeds of Central Victoria booklet, requests for Environmental Information form, and the Land Management Plan Guideline.</p> <p>Environmental works included the weed control program for Council managed land including roadsides. Erosion works at Monument Hill Reserve, Kilmore and supporting the Broadford Land Management Group's erosion control in Colin Officer Flora Reserve, Broadford.</p> <p>National Tree Day saw more than 4000 plants planted on public land throughout the shire involving more than 730 volunteers.</p> <p>The Mitchell Shire Rural Roadside Environmental Management Plan was reviewed and staff participated in roadside vegetation training. 2015/16 also saw the appointment of a new Environmental Advisory Committee and the Monument Hill Working Group.</p>
Implement the Environmental Grants Program	<p>2015/16 was the inaugural delivery of the Environmental Grants Program, and 54 applications were awarded throughout the Shire including 32 small grants, 14 medium grants, seven large grants and one community environmental grant. The program was reviewed and will not continue in 2016/17 due to Council's rate capping savings requirements.</p>

MAJOR BUDGET INITIATIVES

The following is a review of performance against the Major Initiatives set in the 2015/16 Budget.

BUDGET INITIATIVE	PROGRESS
Introduction of the Environmental Grants Program	On target. Please refer to Council Plan - Annual Action Plan 2015/16 update.

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	Comments
Waste Collection			
Satisfaction			
<i>Kerbside bin collection requests</i>	126.97	153.57	The number of kerbside collection requests has increased this financial year compared to 2014/15. 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			
Service standard			
<i>Kerbside collection bins missed</i>	2.50	3.09	There was an increase in the number of missed bins in 2015/16 due to operator error, blocked access, contaminated bins, bins not out in time, bin too heavy or the bin was only half emptied. This is just 0.03% of all bins collected but the trend has highlighted an improvement opportunity for 2016/17.
[Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts] x10,000			
Service cost			
<i>Cost of kerbside garbage bin collection service</i>	\$55.23 ³	\$53.71	This is a better result than last year, but it is important to note that this indicator will fluctuate, primarily depending on annual volumes.
[Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]			
Service cost			
<i>Cost of kerbside recyclables collection service</i>	\$48.25 ⁴	\$47.60	This is a better result than last year, but it is important to note that this indicator will fluctuate, primarily depending on annual volumes.
[Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins]			

³ This figure has been altered from the previous year's result of \$59.74, due to a data error

⁴ This figure has been altered from the previous year's result of \$52.97, due to a data error

Service/indicator/measure	2014/15 Result	2015/16 Result	Comments
Waste diversion			
<i>Kerbside collection waste diverted from landfill</i>	33.34%	33.85%	Our result for 2015/16 financial year has improved slightly from the previous year. Mitchell Shire Council does not currently have a kerbside green organics collection. The improvement 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			

THE YEAR AHEAD

The following actions have been prepared for 2016/17 to support the achievement of our strategic objectives and priorities in the four-year Council Plan. 2016/17 is the final year of the current four-year Council Plan.

2016/17 PRIORITY ACTIONS

1. Continue to enhance and improve Council's emergency management capacity by ongoing reviews of the MEMP sub-plans, Training and Development Plan and community education and awareness.
2. Rehabilitate and cap the closed Seymour Landfill.
3. Complete the capping of cells 1-4 of Mitchell Landfill.
4. Implement Year 1 and Year 2 of the Mitchell Waste Management Strategy priorities and actions by specified timeframes in accordance with the approved budget.
5. Complete the Seymour Flood Levee (Stage 2/3) - Stage 2 (Planning Scheme Amendments) and Stage 3 (Land acquisition).
6. Implement Year 3 of the Mitchell Environment Strategy priorities and actions by specified timeframes in accordance with the approved budget.

Strategic Objective 5

ORGANISATIONAL CAPACITY AND PERFORMANCE



Excellence and innovative performance underpinned by strong 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 2015/16 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
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 and Governance	This service is responsible for financial services such as procurement, financial accounting, management accounting and rates administration. It also includes finance costs and interest income. Governance ensures that Council meets its legislative responsibilities by providing an ethical basis for good governance which facilitates informed and transparent decision making.
People and Culture	This service incorporates Human Resources, OHS and Risk. People and Culture is responsible for human resources strategy, learning and development, employee relations, human resource services and payroll. OHS and Risk helps ensure a safe workplace and protects Council from negative outcomes through good risk management processes. This service also provides a fair and consistent application of legislation and processes to ensure that employees and community enjoy a safe and sustainable environment.
Communications and Improvement	This service supports the organisation with corporate planning, continuous improvement and performance reporting as well as internal and external communication and public relations including media, advertising, publications, e-newsletter, social media, website, engagement and consultation support, communication plans and advocacy.
Information Management and Technology	Information Technology delivers appropriate and cost effective technology to support Council to deliver services to the community across 40 sites. Information Services supports the organisation to manage, maintain and dispose of all corporate information according to government legislation, Council strategy, policy, established procedures and business rules.

COUNCIL PLAN – FOUR YEAR MEASURES

The following is a review of 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%	3%	✓
Rates outstanding (rates receivables/rates income)	< 10%	10%*	✘
Staff turnover	<15% per annum	14.48% ⁵	✓
Councillor attendance at Council meetings (percentage of attendance at ordinary and special council meetings)	> 89%	95%	✓
Customer Service first point of contact resolution for Broadford Customer Service and Call Centre	≥ 55% per annum	82%	✓

*There has been a small (0.3%) reduction in rates outstanding since 2014/15.

⁵ This figure excludes redundancies that occurred toward the end of the 2015/16 financial year as part of Council's efficiency target of \$2m.

COUNCIL PLAN – ANNUAL ACTION PLAN

The following is a review of the progress of the Council Plan 2013-2017 Annual Action Plan 2015/16.

COUNCIL PLAN INITIATIVE	PROGRESS
Develop and implement Council's Customer Service Strategy and Charter	The Customer Service Strategy was completed in early 2016. Due to a number of changes in management and personnel, the finalisation of the Customer Service Strategy was deferred. Finalisation, approval and implementation of the strategy will be a focus for 2016. This will include the establishment of the Customer Charter for Mitchell Shire Council.
Improve Council's website accessibility for customers to meet the AA standard and prepare to achieve the AAA standard	<p>The Mitchell Shire Council website was independently assessed at the beginning of 2015/16. Nearly 30 design improvements were identified to reach Level AA Standard of the Web Content Accessibility Guidelines. Priority issues have been resolved. Future years will focus on achieving Level AAA by enhancing document accessibility and creating simpler information.</p> <p>Council also introduced an online kindergarten enrolment form which met accessibility standards.</p>
Implement Diploma of Management for leadership team to complete	The Diploma of Management Program was delivered in conjunction with LGPro and Swinburne University, assessments submitted, and a graduation ceremony was held earlier in 2016.
Implement the Year 2 Actions of Council's Organisational Development Strategy (Moving Mitchell Forward)	The original action was not achieved. Council appointed a new Manager People and Culture at the end of June 2016 who will work with the Executive Leadership Team to determine priorities moving forward. This includes an integral role in the 'One Mitchell' Positive Culture Project and will sit on Steering Committee to ensure achievement of objectives within the new Action Plan.

COUNCIL PLAN INITIATIVE**PROGRESS**

Deliver statutory planning and building services according to agreed performance standards

There was a slight reduction in the median days to make a decision and a significant increase in the number of decisions made within 60 statutory days. This has climbed to 84 per cent which is 15 per cent higher than last year.

There was a strong focus on engagement with stakeholders which involved multiple community forums and updates, planning 101 sessions, commencement of surveys and interviews, and development of an action plan that has been well advanced including improvements to information available on the website, better access to planners for advice and changes to internal processes such as phone, site inspection and file management protocols. Substantial progress was also made in areas that seek to reduce the need for planning permits as well as improving the ability to lodge, check progress and review advertised plans electronically.

The Building Service underwent a high level review of its service and functions with opportunities identified for achieving additional building permit applications.

Continue to modernise internal systems and processes to increase efficiency and support a move to mobile working

We have rolled out WiFi access in our Broadford and Wallan offices to facilitate the use of mobile devices and public WiFi to Kilmore Leisure Centre and Seymour Sports and Aquatic Centre.

Improvements to our internet connection have been made and we have an updated phone contract which allows us to make free calls between all Council services including mobiles.

Staff devices were refreshed in order to remove outdated equipment and to support an increasingly mobile workforce across almost 40 sites.

Audio-visual facilities in the Council Chambers were upgraded to better facilitate meetings and presentations.

Implement efficiencies in relation to finance systems and processes

Council transitioned bank providers in 2015/16. Mobile terminals were replaced and all pools and Resource and Recovery Centres now have EFTPOS facilities for customers.

Council also commenced an accounts payable automation process that will improve processing times.

Further payment automation will be dependent upon future website upgrades, and upon budget resources.

COUNCIL PLAN INITIATIVE	PROGRESS
Implement and plan for the effects of rate capping	The Long Term Financial Plan was adjusted to an assumed rate cap of 2.5 per cent following the introduction of rate capping. The rate calculation adheres to the 2.5 per cent cap and future planning will require an adjustment based on the final CPI notification for future years.
Develop a model to track, report and forecast Developer Contribution income and obligations	Significant work was completed to progress this action, including preparation of a draft framework, procedure manual and department consultation having been undertaken. The final steps include adopting an IT solution to assist with the tracking, reporting and forecasting that will support the framework. Completion of this project will be a focus for the new financial year.

MAJOR BUDGET INITIATIVES

The following is a review of performance against the Major Initiatives set in the 2015/16 Budget.

BUDGET INITIATIVE	PROGRESS
Improve Council's website accessibility for customers to meet the AA standard and prepare to achieve the AAA standard	On target. Please refer to Council Plan - Annual Action Plan 2015/16 update.
Plan and deliver a significant upgrade of Council's Records Management system to support increased mobile work practices.	In addition to the mobile device implementation and refresh program, records management systems have been upgraded and configured for automation of scanning of paper files to correct locations. This will improve speed and accuracy while reducing work involved.
Continual review and improvements to finance systems and processes (such as introduction of electronic land management certificates and investigation of feasibility of move to electronic rates notice)	On target. Please refer to Council Plan - Annual Action Plan 2015/16 update.
Add Kilmore Maternal and Child Health Centre to microwave network - upgrade of internet connection	The Kilmore Maternal and Child Health Centre was upgraded to the microwave network to complement the roll-out of the CDIS system, and to improve the speed of access to online records during Immunisation and MCH appointments.

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	Comments
Governance			
Transparency			
<i>Council decisions made at meetings closed to the public</i>	12.75%	16.43%	Of 347 council resolutions made, 57 were made at meetings closed to the public. These resolutions typically related to confidential items such as tenders. Council was successful in receiving State Government funding for a number of Interface projects which required an increase in the number of contracts being awarded in the second half of 2015/16.
[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			
Consultation and engagement			
<i>Satisfaction with community consultation and engagement</i>	53	42	The timing of the survey coincided with Council's rate capping survey and results dropped across all indicators. Council is committed to improving this result for 2016/17.
Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement			
Attendance			
<i>Councillor attendance at council meetings</i>	94.10%	94.44%	This result has remained consistent.
[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			

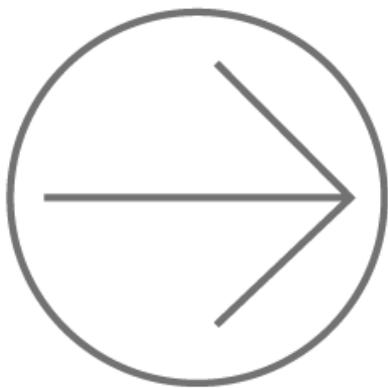
Service/indicator/measure	2014/15 Result	2015/16 Result	Comments
Governance			
Service cost			
Cost of governance [Direct cost of the governance service / Number of Councillors elected at the last Council general election]	\$36,735.44	\$44,011.83	The increase in cost during the 2015/16 financial year was impacted by CEO recruitment costs (not undertaken in 2014/15) as well as technology improvements in the Civic Centre, training and professional development costs, legal and professional advice and Councillor allowances.
Satisfaction			
Satisfaction with council decisions [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	49	41	The timing of the survey coincided with Council's rate capping survey and results dropped across all indicators. Council is committed to improving this result for 2016/17.

THE YEAR AHEAD

The following actions have been prepared for 2016/17 to support the achievement of our strategic objectives and priorities in the four-year Council Plan. 2016/17 is the final year of the current four-year Council Plan.

2016/17 PRIORITY ACTIONS

1. Deliver Statutory Planning and Building Services to agreed performance standards.
2. Implement Year 3 Actions of Council's Organisational Development Strategy.
3. Prepare a new four-year Council Plan for 2017/18 to 2020/21.
4. Define core services, set service levels and identify surplus assets.
5. Deliver the Information Technology Hardware renewal program.
6. Deliver the software and phone system upgrade.



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

There were 11 Council meetings, 3 Special Council Meetings, 11 Hearings Committee meetings and 1 Special Hearings Committee meeting in 2015/16.

Councillor	Council Meeting	Special Council Meeting	Hearings Committee	Special Hearings Committee	Total
Cr Des Callaghan	10	2	11	1	24
Cr Bill Chisholm	11	3	11	1	26
Cr Bob Cornish	11	2	9	1	23
Cr Ross Lee	10	3	10	1	24
Cr Sue Marstaeller*	10	3	10	0	23
Cr Bill Melbourne	10	2	7	1	20
Cr Kevin Mulrone	10	3	8	1	22
Cr Rodney Parker*	11	3	9	1	24
Cr Rhonda Sanderson	11	3	11	1	26

*Councillor Rodney Parker was Mayor from 1 July 2015 to 28 October 2015

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 23 May 2016. 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, if necessary, 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 2015/16.

Conflict of Interest	Council Meetings	Hearings Committee
Direct Interest	4	2
Indirect Interest	4	1
Total	8	3

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 24 December 2015, the councillor annual allowance for a category 2 council (as defined by the Act) ranged from \$9,788 to \$23,539 per annum, and Mayors up to \$72,834 per annum.

The Minister for Local Government approved an annual adjustment of 2.5 per cent to take effect from 24 December 2015, ranging from at \$10,033-\$24,127 per annum for the Councillor allowance and up to \$74,655 per annum for the Mayoral allowance.

Councillor	Councillor Allowance (\$)
Cr Des Callaghan	23,882
Cr Bill Chisholm	23,882
Cr Bob Cornish	23,882
Cr Ross Lee	23,882
Cr Sue Marstaeller*	58,072
Cr Bill Melbourne	23,882
Cr Kevin Mulroney	23,882
Cr Rodney Parker*	39,903
Cr Rhonda Sanderson	23,882
Total	265,152

*Cr Rodney Parker was Mayor until 28 October 2015. Cr Sue Marstaeller was elected Mayor on 28 October 2015.

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 2015/16.

Councillor	Landline Service	Mobile Phone	Laptop Computer	iPad	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 Sanderson		✓		✓	✓

Councillor	Councillor Allowance (\$)	Councillor Superannuation (\$)	Telephone /Internet (\$)	Mobile Phone Expenses (\$)	iPad Expenses (\$)	Councillor Education (\$)	Accommodation and Travel (\$)	Total (\$)
Cr Des Callaghan	23,882	2,269	0	1,184	436	0	344	28,115
Cr Bill Chisholm	23,882	2,269	109	805	0	0	2,093	29,159
Cr Bob Cornish	23,882	2,269	0	187	436	55	0	26,829
Cr Ross Lee	23,882	2,269	0	235	437	0	0	26,823
Cr Sue Marstaeller*	58,072	5,517	0	1,084	436	2,518	2,671	70,298
Cr Bill Melbourne	23,882	2,269	347	445	436	0	0	27,379
Cr Kevin Mulroney	23,882	2,269	0	437	436	0	4,902	31,927
Cr Rodney Parker*	39,903	3,791	0	524	437	391	1,961	47,007
Cr Rhonda Sanderson	23,882	2,269	0	456	437	290	285	27,620
Group expense	0	0	0	0	0	4,400	0	4,400
Total	265,152	25,189	456	5,358	3,492	7,653	12,256	315,157

Note: All figures have been rounded.

*Cr Rodney Parker was Mayor until 28 October 2015. Cr Sue Marstaeller was elected Mayor on 28 October 2015.

Expense Categories

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.

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, iPad 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.

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 2015/16 are listed in the following tables. Appointments were updated at the Special Council Meeting on 28 October 2015.

Regional, State-Wide and Local Organisations

<i>Organisation</i>	Appointments (at 1 July 2015)	Appointments (at 30 June 2016)
Australian Local Government Women's Association – Victorian Branch	Cr Sanderson	Cr Sanderson
Goulburn Broken Greenhouse Alliance	Cr Melbourne	Mayor
Goulburn Valley Regional Waste Management Group	Cr Mulroney	Cr Mulroney
Great Victorian Rail Trail Advisory Committee	Cr Sanderson	Committee disbanded
Hume Region Local Government Network	Mayor CEO	Mayor CEO
Interface Council Group	Cr Parker CEO Cr Marstaeller**	Mayor CEO Cr Callaghan **
Keep Australia Beautiful Committee	Cr Melbourne	Cr Melbourne
L2P	Cr Callaghan	Cr Callaghan
Merri Creek Management Committee Inc.	Cr Mulroney Cr Marstaeller**	Cr Mulroney Cr Cornish**
Mitchell Health Care Network	Cr Marstaeller Mayor	Mayor Cr Melbourne
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 Marstaeller
RoadSafe Goulburn Valley Committee	Cr Callaghan Cr Chisholm**	Cr Callaghan
Victorian Local Governance Association	Cr Callaghan	Cr Callaghan

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

Incorporated Associations

Central Ward

Organisation	Appointments (at 1 July 2015)	Appointments (at 30 June 2016)
Broadford Land Management Group	Cr Callaghan	Cr Callaghan
Harley Hammond Reserve Committee	Cr Lee	Cr Lee
JJ Clancy Reserve Committee	Cr Parker	Cr Parker
Kilmore Memorial Hall Committee	Cr Parker	Cr Parker

North Ward

Organisation	Appointments (at 1 July 2015)	Appointments (at 30 June 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 Sanderson
Seymour Tennis Complex Committee	Cr Melbourne	Cr Melbourne
Tallarook Mechanics Institute Committee	Cr Chisholm	Cr Chisholm
Tallarook Recreation Reserve Committee	Cr Melbourne	Cr Melbourne
Tooborac Mechanics Hall and Reserve Committee	Cr Chisholm	Cr Chisholm

South Ward

Organisation	Appointments (at 1 July 2015)	Appointments (at 30 June 2016)
Beveridge Recreation Reserve Committee	Cr Mulroney	Cr Mulroney
Greenhill Reserve Committee	Cr Mulroney	Cr Mulroney
RB Robson Stadium Committee	Cr Cornish	Cr Cornish
Wandong Heathcote Junction Sports and Community Centre Committee	Cr Marstaeller	Cr Marstaeller
Wandong Public Hall Committee	Cr Marstaeller	Cr Marstaeller

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 2015)	Appointments (at 30 June 2016)
Audit (Advisory) Committee	Cr Sanderson Cr Marstaeller	Cr Parker Cr Sanderson
CEO Performance Review Advisory Committee	Mayor Cr Melbourne Cr Marstaeller	Mayor Past Mayor Cr Melbourne
Hearings Committee	All Councillors	All Councillors

Advisory Committees

Organisation	Appointments (at 1 July 2015)	Appointments (at 30 June 2016)
Access and Inclusion Advisory Committee	Cr Marstaeller	Cr Marstaeller
Cultural Diversity Advisory Committee	Cr Marstaeller Cr Chisholm	Cr Marstaeller Cr Chisholm
Environment Advisory Committee	Cr Mulroney	Cr Mulroney
Fire Advisory Committee	Cr Marstaeller	Cr Marstaeller
Health and Wellbeing Advisory Committee	Cr Callaghan	Committee disbanded
Heritage Advisory Committee	Cr Lee	Cr Lee

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

Cr Sue Marstaeller (Mayor ex-officio)

Cr Rodney Parker

Cr Rhonda Sanderson

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 Corporate Services, Manager Finance and Governance, Manager Organisational Development and the Internal Auditor (RSM Bird Cameron) 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 2015/16 Annual Statements.

Attendance

The Audit Committee met three times during the 2015/16 financial year. The meetings were held on 8 September 2015, 17 November 2015, 23 February 2016 and 10 May 2016. In addition, the Chairperson, Michael Ulbrick, met with Council on 8 February 2016 to brief Council the Audit Committee's annual report.

Council Members	Meetings attended	Independent Members	Meetings attended
Cr Sue Marstaeller	3	Theresa Glab	4
Cr Rodney Parker	4	Bruce Potgieter	4
Cr Rhonda Sanderson	4	Michael Ulbrick (Chair)	4

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, RSM Bird Cameron, conducted comprehensive audits of Facilities and Building Maintenance, 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 2015/16 Financial and Performance Statements 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 are 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.

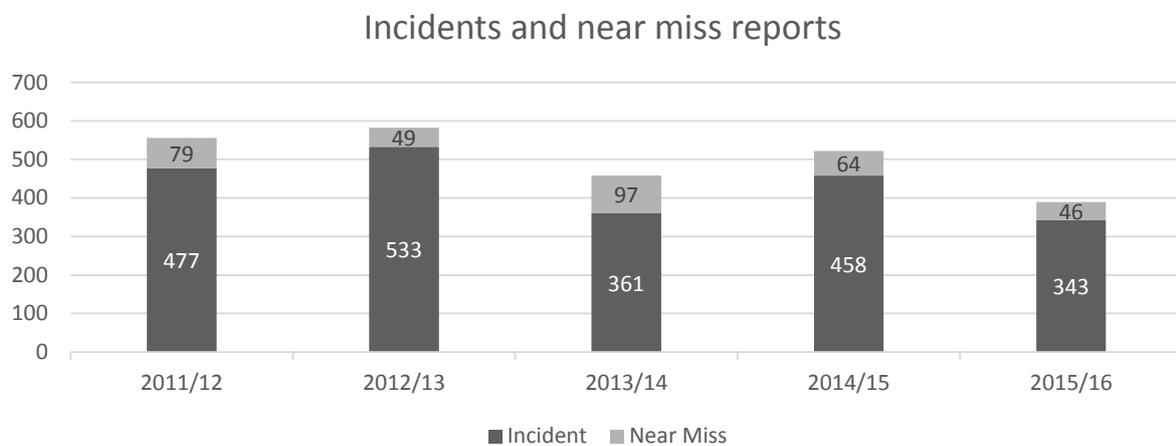
Occupational Health and Safety

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. Near miss reports will be a focus for the 2016/17 financial year.



Asset Management

Council is responsible for approximately \$537 million (fair value) and \$392 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 \$4.33 million on infrastructure asset renewal in 2015/16. 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 2015/16, 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 8.45 kilometres with 3.2km completed in 2015/16. Council recognised \$5.66 million land and infrastructure assets, including \$2.0 million of road infrastructure and \$1.7 million for drainage assets in 2015/16.

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 2015/16, a number of continuous improvement initiatives were undertaken.

During 2015/16, Council undertook a year-long program to identify \$2 million redirected from the 2016/17 operating budget to infrastructure investment.

As part of the Your Budget, Your Priorities project, Council conducted community consultation regarding service and infrastructure priorities, fees and charges, rate capping and efficiency savings.

Every team also took part in service reviews to identify savings and other efficiency and service improvements. Areas with larger operating budgets also underwent more in-depth service reviews with a focus on leisure, kindergartens, maternal and child health, waste, roads, parks and gardens and engineering.

Council also introduced some service and program changes following consultation to remove \$633,000 from the draft budget to meet the rate cap.

Other activities included delivery of a Statutory Planning service improvement program; a formal review of service standards for open space and user surveys for Maternal and Child Health Services services.

Council also sought community input on more than 40 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 three potential contracts 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 in 2016 for this contract.

One electrical contractor and one other IT contractor have also been engaged via various requests for quotes. The cumulative impact has resulted in payment for their services exceeding the threshold. Council will be tendering for trade and IT panel contracts later in 2016.

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.

Council has prepared a Disability Action Plan and implemented the following actions as part of our Year 3 Action Plan.

- Increased opportunities for young people with a disability to participate in community and recreational events.
- Community drop in space for people of all abilities opened at the Goulburn Options Art Room with regular Art Sessions and Day Programs available.
- Accessible Events Checklist developed to assist community groups, businesses and Council to run accessible events.
- Mobility Maps developed for the five major town centres across Mitchell.
- Communication Boards developed for use at all Customer and Library Service Centres.
- Hearing Loops housed at Broadford Customer and Library Service Centre and available for loan by community groups.
- Access and Inclusion webpage redeveloped to improve inclusiveness and accessibility.
- Partnered with Hume Regional Access Network to develop and implement the Good Access is Good Business Project across the region.
- Significant upgrades to Council's built and natural environment.

Partnerships with the Access and Inclusion Advisory Committee members were strengthened over the year by working together on joint projects including:

- Access and Inclusion Advisory Committee meetings held quarterly to provide opportunities for discussion, to identify issues requiring advocacy in the shire and facilitate mechanisms to advocate.
- Event held to celebrate International Day of People with Disability with students of all abilities from Mitchell Shire.
- Access and Inclusion Champion Award presented at Australia Day celebrations.
- Access and Inclusion Advisory Committee provided input into Council plans and strategies.

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 2015/16 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	2011/12	2012/13	2013/14	2014/15	2015/16
New requests	21	12	12	9	7
Access granted in Full	0	1	1	2	3
Access granted in part	12	7	5	0	1
Access denied in full	3	1	1	0	0
Requests withdrawn	1	0	1	3	0
Requests determined not to be FOI requests	1	2	2	1	0
Requests still under consideration	2	0	1	3	5
Requests, no documents existed	2	0	1	0	0
Number of internal reviews sought	1	1	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 privacyofficer@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 one privacy complaint in 2015/16.

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 2015/16.

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 2015/16.

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 2015/16 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: 20/06/2016
4. Annual budget (plan under section 130 of the Act setting out the services to be provided and initiatives to be undertaken over the next 12 months and the funding and other resources required)	Adopted in accordance with section 130 of the Act ✓ Date of Adoption: 20/06/2016
5. Asset management plans (plans that set out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)	Plans ✓ Date of operation of current plans: 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: 01/06/2014
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

Column 1	Column 2
Governance and Management items	Assessment
8. Fraud policy (policy outlining Council's commitment and approach to minimising the risk of fraud)	Policy ✓ Date of operation of current policy: 12/08/2013
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 <i>Local Government Act</i> ✓ Date of approval: 20/06/2016
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
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)	Committee established in accordance with section 139 of the Act ✓ Date of establishment: 15/04/2004

Column 1	Column 2
Governance and Management items	Assessment
<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 ✓</p> <p>Date of engagement of current provider: 24/01/2011</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 ✓</p> <p>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 ✓</p> <p>Date of current report: 15/02/2016</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 ✓</p> <p>Date statements presented: 08/09/2015, 17/11/2015, 23/02/2016 and 10/05/2016</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 ✓</p> <p>Date of reports: 08/09/2015, 17/11/2015, 23/02/2016 and 10/05/2016</p>
<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: 09/02/2015 and 15/02/2016</p>

Column 1	Column 2
Governance and Management items	Assessment
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)	Annual report considered at a meeting of Council in accordance with section 134 of the Act Date of report: 19/10/2015
22. Councillor Code of Conduct (Code under section 76C of the Act setting out the conduct principles and the dispute resolution processes to be followed by Councillors)	Code of conduct reviewed in accordance with section 76C of the Act Date reviewed: 23/05/2016
23. Delegations (a document setting out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff)	Delegations reviewed in accordance with section 98(6) of the Act Date of review: 30/03/2016
24. Meeting procedures (a local law governing the conduct of meetings of Council and special committees)	Meeting procedures local law made in accordance with section 91(1) of the Act Date local law made: 25/12/2014

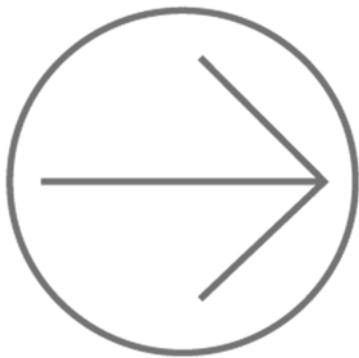
I certify that this information presents fairly the status of Council's governance and management arrangements.



David Turnbull
Chief Executive Officer
Dated: 19 September 2016



Cr Sue Marstaeller, JP
Mayor
Dated: 19 September 2016



Performance Statement

for the year ended 30 June 2016.

DESCRIPTION OF MUNICIPALITY

Strategically located 40 kilometres north of Melbourne, we are one of Victoria's fastest growing outer metropolitan 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 2864 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, Mangalore, Mia Mia, Moranding, Northwood, Nulla Vale, Puckapunyal, Pyalong, Reedy Creek, Seymour, Sugarloaf Creek, Sunday Creek, Tallarook, Tarcombe, 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 2016, our total population stood at 39,143.¹

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 2016

<i>Indicator/measure</i>	Results		Material variations
	2015	2016	
Population			
<i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$1,428.56	\$1,462.94	No material variation.
<i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$10,567.60	\$11,236.24	No material variation.
<i>Population density per length of road</i> [Municipal population / Kilometres of local roads]	28.40	28.83	No material variation.
Own-source revenue			
<i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$1,065.20	\$1,101.01	No material variation.
Recurrent grants			
<i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$388.97	\$186.59	The variance between the 2014/15 and 2015/16 year-end results are skewed by the \$3.2m pre-payment of the Victorian Grants Commission Financial Assistance Grant in 2014/15 which inflated the 2014/15 result. Once this timing difference is removed recurrent grants per head would have had minimal effect.
Disadvantage			
<i>Relative Socio-Economic Disadvantage</i> [Index of Relative Socio-Economic Disadvantage by decile]	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.

Service Performance Indicators

For the year ended 30 June 2016

Service/ <i>indicator</i> /[measure]	Results		Material variations
	2015	2016	
Aquatic facilities			
Utilisation			
<i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	5.55	6.41	No material variation.
Animal management			
Health and safety			
<i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	10.00	19.00	It is difficult to anticipate the volume of prosecutions each year. By presenting comprehensive evidence, 14 of 19 matters were plead guilty at first mention and the remaining five were found proven and/or guilty pleas made at further mention.
Food safety			
Health and safety			
<i>Critical and major non-compliance outcome notifications</i> [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100	19.83%	100.00%	After underperforming in the area during 2014/15, Council set a minimum target of 80% for this indicator. Kernow Environmental Services was contracted by Council in July 2015 and have achieved a result of 100% for the 2015/16 financial year.
Governance			
Satisfaction			
<i>Satisfaction with council decisions</i> [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	49	41	The timing of the survey coincided with Council's rate capping survey which contributed to a drop across all indicators. Council is committed to improving this result for 2016/17.

Service/indicator/[measure]	Results		Material variations
	2015	2016	
Home and community care			
Participation			
Participation in HACC service [Number of people that received a HACC service / Municipal target population for HACC services] x 100	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.
Participation			
Participation in HACC service by CALD people [Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x 100	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			
Active library members [Number of active library members / Municipal population] x100	15.00% ²	12.57%	No material variation.
Maternal and child health			
Participation			
Participation in the MCH service [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	79.17%	No data	In 2016 there was an initiative to transition the majority of Victorian councils offering Maternal and Child Health services to a new database. The database is not expected to provide reliable information until the end of September 2016. Therefore, Council is unable to report this data for the 2015/16 Financial Year.
Participation			
Participation in the MCH service by Aboriginal children [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	81.13%	No data	In 2016 there was an initiative to transition the majority of Victorian councils offering Maternal and Child Health services to a new database. The database is not expected to provide reliable information until the end of September 2016. Therefore, Council is unable to report this data for the 2015/16 Financial Year.

² This figure has been altered from the previous year's result of 19.04%, due to a data error

Service/indicator/[measure]	Results		Material variations
	2015	2016	
Roads			
Satisfaction			
<i>Satisfaction with sealed local roads</i> [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	43	37	The timing of the survey coincided with Council's rate capping survey which contributed to a drop across all indicators. Council is committed to improving this result for 2016/17.
Statutory Planning			
Decision making			
<i>Council planning decisions upheld at VCAT</i> [Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	44.44%	50.00%	No material variation.
Waste Collection			
Waste diversion			
<i>Kerbside collection waste diverted from landfill</i> [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	33.34%	33.85%	No material variation.

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 2016

Dimension/ <i>indicator/measure</i>	Results		Forecasts				Material variations
	2015	2016	2017	2018	2019	2020	
Efficiency							
Revenue level							
<i>Average residential rate per residential property assessment</i> [Residential rate revenue / Number of residential property assessments]	\$1,698.97	\$1,805.45	\$1,844.37	\$1,955.00	\$1,996.96	\$2,039.57	The 2015/16 rate increase was 6.9%. The forward projections for this indicator are based on current assumptions in the Strategic Resource Plan of annual rate increase of 2.5% from 2017/18 to 2019/20. Rate rises are set on an annual basis. The number of residential properties is difficult to project in Mitchell's growth environment. In the forward projections, the current indicator is based on a conservative 1% growth in residential properties per annum. This is in line with conservative supplementary rate revenue projections.
Expenditure level							
<i>Expenses per property assessment</i> [Total expenses / Number of property assessments]	\$2,988.49	\$3,052.38	\$3,032.51	\$3,111.02	\$3,146.08	\$3,222.55	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%	13.91%	13.89%	13.89%	13.89%	While our overall turnover increased by 1%, our Council Plan target was <15%. However, during the year, eight roles were made redundant as part of Council's efficiency target of \$2m. By excluding these positions from our overall workforce turnover, we would have delivered a workforce turnover result of 14.48% which falls within our Council Plan 2013-17 Measures of Success target of <15%.

Dimension/ <i>indicator/measure</i>	Results		Forecasts				Material variations
	2015	2016	2017	2018	2019	2020	
Liquidity							
Working capital							
<i>Current assets compared to current liabilities</i> [Current assets / Current liabilities] x100	155.13%	189.96%	141.28%	152.76%	194.31%	183.78%	No material variation.
Unrestricted cash							
<i>Unrestricted cash compared to current liabilities</i> [Unrestricted cash / Current liabilities] x100	35.66%	39.14%	45.59%	55.31%	77.02%	72.19%	No material variation.

Dimension/ <i>indicator/measure</i>	Results		Forecasts				Material variations
	2015	2016	2017	2018	2019	2020	
Obligations							
Asset renewal							
<i>Asset renewal compared to depreciation</i> [Asset renewal expense / Asset depreciation] x100	52.82%	34.95%	52.96%	61.16%	61.18%	35.71%	<p>The 2015/16 asset renewal indicator is lower than planned due to higher than budgeted depreciation expenditure and carried forward renewal capital expenditure of \$2.6m into 2016/17. This carry forward included a number of Interface Growth Fund projects.</p> <p>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. A major efficiency saving program in 2015/16 has identified a further \$2m to be redirected to capital works for 2016/17 to help improve this indicator. This remains a challenge for future years.</p> <p>Council's expenditure on asset renewal will increase gradually over the Strategic Resource Plan but is projected to drop in Year 5. Mitchell Shire is unique in that the location offers urban, peri-urban and rural landscapes. Being a council balancing the needs of growth, interface and rural adds pressure for new and renewed assets as Council strives to balance the individual town needs.</p>
Loans and borrowings							
<i>Loans and borrowings compared to rates</i> [Interest bearing loans and borrowings / Rate revenue] x100	44.38%	36.81%	51.08%	50.81%	49.45%	46.19%	No material variation

Dimension/ <i>indicator/measure</i>	Results		Forecasts				Material variations
	2015	2016	2017	2018	2019	2020	
Loans and borrowings							
<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%	7.38%	7.78%	8.06%	8.43%	No material variation.
Indebtedness							
<i>Non-current liabilities compared to own source revenue</i> [Non-current liabilities / Own source revenue] x100	50.34%	41.00%	45.19%	39.99%	38.38%	34.88%	Council delivered a stronger than expected result of 41%. The improvement to this indicator is mainly as a result of a \$1.7m decrease in Council's non-current landfill provision compared to 2014/15.

Dimension/ <i>indicator/measure</i>	Results		Forecasts				Material variations
	2015	2016	2017	2018	2019	2020	
Operating position Adjusted underlying result <i>Adjusted underlying surplus (or deficit)</i> [Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100	1.76%	-13.43%	-3.48%	-2.34%	-1.45%	-1.77%	<p>The current year's underlying deficit is impacted by the one- off timing effect of the prepayment of 2015/16 Victorian Grants Commission Financial Assistance Grant of \$3.2m in June 2015 (equivalent to 6.7% of the underlying deficit).</p> <p>In addition, the 2014/15 revaluation of roads has contributed to increased depreciation in 2015/16 which accounts for a further 4% of the underlying result.</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 returning to underlying surplus in the medium to long term. Council's Strategic Resource Plan incorporates a project to reduce net operating costs by \$4m over the 2016/17 and 2017/18.</p> <p>In preparation for the 2017/18 Budget and Strategic Resource Plan, the forecast asset renewal percentage will need reviewing in line with the increased depreciation.</p>

Dimension/ <i>indicator/measure</i>	Results		Forecasts				Material variations
	2015	2016	2017	2018	2019	2020	
Stability							
Rates concentration							
<i>Rates compared to adjusted underlying revenue</i> [Rate revenue / Adjusted underlying revenue] x100	60.14%	72.49%	67.59%	68.62%	68.70%	68.71%	Council remains reliant on rate revenue as a major source of revenue. The variance between the 2014/15 and 2015/16 year-end results are skewed by the \$3.2m pre-payment of the Victorian Grants Commission Financial Assistance Grant in 2014/15 which inflated the 2014/15 result. In addition, while the 2015/16 rates revenue increased by \$3m, the level of recurrent capital grants revenue decreased by \$745K and user fees have decreased by \$508K (mainly due to reduced level of commercial waste being disposed of at the landfill).
Rates effort							
<i>Rates compared to property values</i> [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.50%	0.54%	0.54%	0.57%	0.58%	0.59%	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 ended 30 June 2016

1. 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 have been provided where applicable in this first year of reporting under the new Local Government Performance Reporting Framework.

The forecast figures included in the performance statement are those adopted by Council in its Strategic Resource Plan on 20 June 2016 and which forms part of the Council Plan. The Strategic Resource Plan includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General Purpose Financial Statements. The Strategic Resource Plan 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*.

Laurie Ellis
Director Corporate Services, CPA
Principal Accounting Officer

19 September 2016
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.

Rodney Parker
Councillor

19 September 2016
Mitchell Shire Council, Broadford, VIC

Rhonda Sanderson
Councillor

19 September 2016
Mitchell Shire Council, Broadford, VIC

David Turnbull
Chief Executive Officer

19 September 2016
Mitchell Shire Council, Broadford, VIC

INDEPENDENT AUDITOR'S REPORT

To the Councillors, Mitchell Shire Council

The Performance Statement

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

The Councillors' Responsibility for the Performance Statement

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

Auditor's Responsibility

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

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

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

Independent Auditor's Report (continued)

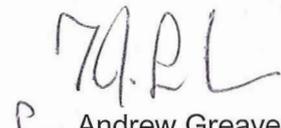
Independence

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

Auditor's Opinion

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

MELBOURNE
21 September 2016


Andrew Greaves
Auditor-General

Mitchell Shire Council

ANNUAL FINANCIAL REPORT
for the year ended 30 June 2016

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

MITCHELL SHIRE COUNCIL



Mitchell Shire Council

Annual Financial Report for the year ended 30 June 2016

Contents	Page
1. Primary Financial Statements:	
- Comprehensive Income Statement	2
- Balance Sheet	3
- Statement of Changes in Equity	4
- Statement of Cash Flows	5
- Statement of Capital Works	6
2. Notes to the Financial Report	7
3. Certification of the Financial Statements	52
4. Independent Auditor's Report	53

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 19/09/16. Council has the power to amend and reissue these financial statements.
-

Mitchell Shire Council

Comprehensive Income Statement for the year ended 30 June 2016

\$ '000	Notes	Actual 2016	Actual 2015
Income			
Rates & Charges	3	36,717	33,683
Statutory Fees & Fines	4	438	514
User Fees	5	5,357	6,102
Grants - Operating	6	6,638	13,602
Grants - Capital	6	7,936	4,228
Contributions - Monetary	7	1,098	308
Contributions - Non Monetary	7	5,666	11,182
Other Income	9	882	891
Total Income		64,732	70,510
Expenses			
Employee Costs	10	22,571	22,674
Materials & Services	11	17,540	17,442
Bad & Doubtful Debts	12	23	8
Depreciation & Amortisation	13	14,732	12,324
Borrowing Costs	14	905	809
Net Loss on Disposal of IPP&E	8	204	164
Other Expenses	15	1,684	1,765
Total Expenses		57,659	55,186
Surplus/(Deficit) for the Year		7,073	15,324
Other Comprehensive Income:			
Items that will not be reclassified to Surplus or Deficit in future periods			
Net Asset Revaluation Increment/(Decrement)	22	686	21,960
Total Items which will not be reclassified subsequently to the Operating Result		686	21,960
Items that may be reclassified to Surplus or Deficit in future periods			
Nil			
Total Other Comprehensive Income for the year		686	21,960
Total Comprehensive Result		7,759	37,284

Mitchell Shire Council

Balance Sheet as at 30 June 2016

\$ '000	Notes	Actual 2016	Actual 2015
ASSETS			
Current Assets			
Cash & Cash Equivalents	16	9,855	8,884
Trade & Other Receivables	17	8,079	6,941
Other Financial Assets	18	10,000	5,000
Inventories	19	150	130
Non-current assets classified as "held for sale"	20	512	-
Other Assets	21	661	222
Total Current Assets		29,257	21,177
Non-Current Assets			
Trade & Other Receivables	17	23	23
Other Financial Assets	18	5	5
Property, Infrastructure, Plant & Equipment	22	442,854	444,372
Total Non-Current Assets		442,882	444,400
TOTAL ASSETS		472,139	465,577
LIABILITIES			
Current Liabilities			
Trade & Other Payables	23	5,610	3,620
Trust Funds & Deposits	24	3,140	3,174
Provisions	25	5,384	5,405
Interest-Bearing Loans & Borrowings	26	1,268	1,453
Total Current Liabilities		15,402	13,652
Non-Current Liabilities			
Provisions	25	5,460	7,159
Interest-Bearing Loans & Borrowings	26	12,246	13,494
Total Non-Current Liabilities		17,706	20,653
TOTAL LIABILITIES		33,108	34,305
Net Assets		439,031	431,272
EQUITY			
Accumulated Surplus		212,338	203,101
Reserves	27	226,693	228,171
Total Equity		439,031	431,272

Mitchell Shire Council

Statement of Changes in Equity
for the year ended 30 June 2016

\$ '000	Notes	Total	Accumulated Surplus	Revaluation Reserve	Other Reserves
2016					
Opening Balance (as per Last Year's Audited Accounts)		431,272	203,101	215,958	12,213
a. Net Operating Result for the Year		7,073	7,073	-	-
b. Other Comprehensive Income					
- Net Asset Revaluation Increment/(Decrement)		686	-	686	-
Total Comprehensive Income		7,759	7,073	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		439,031	212,338	216,644	10,049

\$ '000	Notes	Total	Accumulated Surplus	Revaluation Reserve	Other Reserves
2015					
Opening Balance (as per Last Year's Audited Accounts)		393,988	185,610	193,998	14,380
a. Net Operating Result for the Year		15,324	15,324	-	-
b. Other Comprehensive Income					
- Net Asset Revaluation Increment/(Decrement)		21,960	-	21,960	-
Total Comprehensive Income		37,284	15,324	21,960	-
c. Transfers to Other Reserves		-	(2,080)	-	2,080
d. Transfers from Other Reserves		-	4,247	-	(4,247)
Equity - Balance at end of the reporting period		431,272	203,101	215,958	12,213

Mitchell Shire Council

Statement of Cash Flows for the year ended 30 June 2016

\$ '000	Notes	Actual 2016	Actual 2015
Cash Flows from Operating Activities			
Rates & Charges		36,785	33,283
Statutory Fees & Fines		321	492
User Fees		5,587	6,672
Grants - Operating		6,894	15,105
Grants - Capital		6,483	4,228
Contributions - Monetary		1,098	308
Interest Received		365	243
Trust Funds & Deposits Taken		(34)	965
Other Receipts		1,107	62
Net GST Refund/Payment		2,208	2,093
Employee Costs		(22,639)	(22,726)
Materials & Services		(19,137)	(22,057)
Other Payments		(1,497)	(1,950)
Net Cash provided by/(used in) Operating Activities	28	17,541	16,718
Cash Flows from Investing Activities			
Payments for Property, Infrastructure, Plant & Equipment	22	(9,639)	(10,535)
Proceeds from Sale of Property, Infrastructure, Plant & Equipment		408	718
Payments for Investments		(5,000)	(2,800)
Net Cash provided by/(used in) Investing Activities		(14,231)	(12,617)
Cash Flows from Financing Activities			
Finance Costs		(905)	(809)
Repayment of Borrowings		(1,433)	(1,518)
Net Cash provided by/(used in) Financing Activities		(2,338)	(2,327)
Net Increase (Decrease) in Cash & Cash Equivalents		971	1,774
Cash & Cash Equivalents at the beginning of the financial year		8,884	7,110
Cash & Cash Equivalents at the end of the financial year		9,855	8,884
Financing Arrangements	30	-	300
Restrictions on Cash Assets	16	7,471	6,627

The above statement should be read with the accompanying notes.

Mitchell Shire Council

Statement of Capital Works

for the year ended 30 June 2016

\$ '000	Notes	Actual 2016	Actual 2015
Property			
Buildings		225	1,929
Leasehold Improvements		-	221
Total Buildings		225	2,150
Total Property		225	2,150
Plant & Equipment			
Plant, Machinery & Equipment		302	1,385
Fixtures, Fittings & Furniture		-	50
Computers & Telecommunications		515	468
Library Books		160	156
Total Plant & Equipment		977	2,059
Infrastructure			
Roads		3,275	2,815
Bridges		689	633
Footpaths & Cycleways		221	42
Drainage		138	531
Recreational, Leisure & Community Facilities		2,708	1,553
Waste Management		1,481	904
Parks, Open Space & Streetscapes		-	141
Other Infrastructure		54	94
Total Infrastructure		8,566	6,713
Total Capital Works Expenditure		9,768	10,922
Represented by:			
New Asset Expenditure		3,744	2,338
Asset Renewal Expenditure		5,149	6,510
Asset Expansion Expenditure		9	683
Asset Upgrade Expenditure		866	1,391
Total Capital Works Expenditure		9,768	10,922

Mitchell Shire Council

Notes to the Financial Report

for the year ended 30 June 2016

Contents of the Notes accompanying the Financial Report

Note	Details	Page
1	Significant accounting policies	8
2	Budget comparison	15
3	Rates and charges	19
4	Statutory fees and fines	19
5	User fees	19
6	Grants	20
7	Contributions	22
8	Net gain / (loss) on disposal of property, infrastructure, plant and equipment	22
9	Other income	23
10(a)	Employee costs	23
10(b)	Superannuation	23
11	Materials and services	24
12	Bad and doubtful debts	24
13	Depreciation and amortisation	24
14	Borrowing costs	25
15	Other expenses	25
16	Cash and cash equivalents	26
17	Trade and other receivables	27
18	Other financial assets	28
19	Inventories	28
20	Non Current Assets Classified as "Held for Sale"	28
21	Other assets	29
22	Property, infrastructure, plant and equipment	29
23	Trade and other payables	35
24	Trust funds and deposits	35
25	Provisions	36
26	Interest bearing loans and borrowings	37
27	Reserves	38
28	Reconciliation of cash flows from operating activities to surplus/(deficit)	40
29	Reconciliation of cash and cash equivalents	40
30	Financing arrangements	40
31	Commitments	41
32	Operating leases	42
33	Superannuation	43
34	Contingent liabilities and contingent assets	46
35	Financial instruments	47
36	Related party transactions	50
37	Events occurring after balance date	51

Mitchell Shire Council

Notes to the Financial Report for the year ended 30 June 2016

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 2016

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 2016

Note 1. Significant Accounting Policies (continued)

(f) Trade and Other Receivables

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

(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 2016

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 60 years
Leasehold improvements	10 to 60 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 2016

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

(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) Investment Property

Investment property, comprising freehold office complexes, is held to generate long-term rental yields. Investment property is measured initially at cost, including transaction costs. Costs incurred subsequent to initial acquisition are capitalised when it is probable that future economic benefit in excess of the originally assessed performance of the asset will flow to the Council. Subsequent to initial recognition at cost, investment property is carried at fair value, determined annually by independent valuers. Changes to fair value are recorded in the comprehensive income statement in the period that they arise. Rental income from the leasing of investment properties is recognised in the comprehensive income statement on a straight line basis over the lease term.

(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.

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.

Mitchell Shire Council

Notes to the Financial Report for the year ended 30 June 2016

Note 1. Significant Accounting Policies (continued)

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.

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.

Mitchell Shire Council

Notes to the Financial Report for the year ended 30 June 2016

Note 1. Significant Accounting Policies (continued)

(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 34 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

Certain new (or amended) accounting standards and interpretations have been published that are not mandatory for reporting periods ending 30 June 2016.

(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 2016

Note 2. Budget Comparison

The budget comparison notes compare Council's financial plan, expressed through its annual budget, with actual performance. The Local Government (Planning and Reporting) Regulations 2014 requires explanation of any material variances. Council has adopted a materiality threshold of the lower of 10 percent or \$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 22 June 2015. The Budget was based on assumptions that were relevant at the time of adoption of the Budget. Council sets guidelines and parameters for income and expense targets in this budget in order to meet Council's planning and financial performance targets for both the short and long-term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

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

\$ '000	Ref	Budget 2016	Actual 2016	Variance 2016
a) Income & Expenditure				
Income				
Rates & Charges	1	36,005	36,717	712
Statutory Fees & Fines	2	530	438	(92)
User Fees	3	5,535	5,357	(178)
Grants - Operating	4	9,266	6,638	(2,628)
Grants - Capital	5	5,193	7,936	2,743
Contributions - Monetary	6	478	1,098	620
Contributions - Non Monetary	7	7,500	5,666	(1,834)
Net Gain/(Loss) on Disposal of IPP&E	8	-	(204)	(204)
Other Income	9	597	882	285
Total Income		65,104	64,528	(576)
Expenses				
Employee Costs	10	23,349	22,571	(778)
Materials & Services	11	18,221	17,540	(681)
Bad & Doubtful Debts		34	23	(11)
Depreciation & Amortisation	12	11,988	14,732	2,744
Borrowing Costs	13	1,103	905	(198)
Other Expenses	14	1,998	1,684	(314)
Total Expenses		56,693	57,455	762
Surplus/(Deficit) for the Year		8,411	7,073	(1,338)

Mitchell Shire Council

Notes to the Financial Report for the year ended 30 June 2016

Note 2. Budget Comparison (continued)

a) Income & Expenditure (continued)

Explanation of Material Variations

Item Explanation

1. Budget rates income was \$712K higher due to higher than budgeted supplementary rates, the annualised effect of the previous year's supplementary rates and interest on outstanding rates.
2. Income from statutory fees and fines is \$92K less than budgeted mainly due to reduced fines as a result of improved practices and higher community compliance.
3. User fees and charges were \$178K less than budget primarily due to lower volumes of commercial waste than previous years. This was offset by increased income from leisure centres, infrastructure development and legal fee recovery from overdue rates.
4. Operating grants income was less than budget by \$2.6M due to the early payment of \$3.2M in Financial Assistance Grants relating to 2015/16 which was received in advance on 30/6/15. This is slightly offset by increased grant revenue for kindergartens.
5. Capital grants were higher than budget by \$2.74M due to \$5.11M successful additional grant funding applications; carry forwards and re-allocations.
6. Contributions - monetary represent the cash contributions received in relation to Developer Contribution Plans (DCP) and s173 agreements for community infrastructure. Timing depends on active developments and is difficult to forecast. Income from DCPs was \$400K more than budgeted. This line item also includes an additional \$220K for capital works contributions received for capital projects that were not budgeted for.
7. Contributions - non-monetary assets represents assets transferred to Council from developers such as roads, drains and open space. It is difficult to estimate the value and timing of these contributions. In 2015/16 transferred assets were \$1.8M lower than budget.
8. Gain/(Loss) on disposal of assets is budgeted as \$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 \$204K including plant and equipment and the write-off of written down value for expired or replaced infrastructure assets.
9. Other income is higher than budget by \$285K. This is mainly due to higher interest from investments and higher reimbursements such as Federal Government paid maternity, WorkCover, insurance and recycling.
10. Employee costs were \$778K less than budget primarily due to operational efficiencies in public health and maternal and child health as well as reduced fringe benefits, staff vacancies and a smaller staff structure.
11. Materials and Services expenditure was \$681K less than budget primarily due to operational efficiencies in height and width vegetation clearance program, lower grading costs due to weather conditions, lower contractor costs in cleaning, drainage and road sealing and staff vacancies.
12. 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 2015/16 budget was set prior to the 2014/15 year end results that included a valuation increase of \$21.96M for the roads asset class as well as new capital works and assets transfers.
13. Borrowing costs were \$198K less than budget due to anticipated borrowings being deferred.
14. Other expenses were \$314K less than budget mainly due to a reduced landfill levy due to lower levels of commercial waste received at the landfill and grants that were not taken up by the community.

Mitchell Shire Council

Notes to the Financial Report
for the year ended 30 June 2016

Note 2. Budget Comparison (continued)

\$ '000	Ref	Budget 2016	Actual 2016	Variance 2016
b) Capital Works				
Property				
Land	1	4,500	-	(4,500)
Total Land		4,500	-	(4,500)
Buildings	2	185	225	40
Total Buildings		185	225	40
Total Property		4,685	225	(4,460)
Plant & Equipment				
Plant, Machinery & Equipment	3	1,350	302	(1,048)
Computers & Telecommunications	4	348	515	167
Library Books		150	160	10
Total Plant & Equipment		1,848	977	(871)
Infrastructure				
Roads	5	2,755	3,275	520
Bridges	6	741	689	(52)
Footpaths & Cycleways	7	385	221	(164)
Drainage		393	138	(255)
Recreational, Leisure & Community Facilities	8	3,782	2,708	(1,074)
Waste Management	9	1,272	1,481	209
Other Infrastructure		35	54	19
Total Infrastructure		9,363	8,566	(797)
Total Capital Works Expenditure		15,896	9,768	(6,128)
Represented By:				
New Asset Expenditure		7,715	3,744	(3,971)
Asset Renewal Expenditure		6,814	5,149	(1,665)
Asset Expansion Expenditure		75	9	(66)
Asset Upgrade Expenditure		1,292	866	(426)
Total Capital Works Expenditure		15,896	9,768	(6,128)

Mitchell Shire Council

Notes to the Financial Report for the year ended 30 June 2016

Note 2. Budget Comparison (continued)

b) Capital Works (continued)

Explanation of Material Variations

Item	Explanation
1.	Council budgeted \$4.5M for a Land Purchase in the South of the Shire (\$5M after final carry forwards from 2014/15 are taken into account). The land purchase and associated borrowings have been deferred to 2016/17.
2.	Council spent \$40K more on buildings than budgeted. During the year Council was successful in obtaining additional grant funding of \$387K in relation to the Broadford Youth Centre. Of which, \$49K was spent during the year and the remaining to be carried forward.
3.	Council budgeted \$1.35M for plant and fleet renewal. \$302K was spent during the year, \$881K anticipated carry forward to 2016/17 with the remaining allocation reallocated to other projects.
4.	Expenditure for the IT asset class was \$167K more than budget. This is due to the original budget of \$348K increasing to \$653K due to carry forward projects from 2014/15 of \$111K plus \$194K allocated to IT during the year from operational savings for business improvement projects with \$156K to be carried forward into 2016/17.
5.	Roads infrastructure expenditure was \$520K higher than budget. This is due to the original budget of \$2.8M increasing to \$3.7M due to additional final carry forwards from 2014/15 of \$128K, additional funding of \$793K with \$405K to be carried forward to 2016/17.
6.	Bridges expenditure was \$52K less than budget. The original budget of \$741K was increased by additional \$334K carry forward from 2014/15 plus additional funding of \$536K to \$1.6M with \$670K to be carried forward to 2016/17.
7.	Footpath expenditure was \$164K less than budget with \$157K to be carried forward to 2016/17.
8.	Recreational, Leisure and Community Facilities expenditure was \$1.07M less than budget. The original budget of \$3.78M was increased to \$7.26M due to an additional \$81K in carry forward from 2014/15 plus additional funding of \$3.27M plus a reallocation for required project cost increase of \$127K from plant savings, with \$4.55M to be carried forward to 2016/17.
9.	Waste management expenditure was \$209K less than budget. The original budget of \$1.27M was increased due to additional carry forward from 2014/15 of \$702K, less brought forward spending of the 2016/17 budget in 2015/16 of \$105K with \$388K carry forward to 2016/17.

Mitchell Shire Council

Notes to the Financial Report

for the year ended 30 June 2016

Note 3. Rates & Charges

\$ '000	Actual 2016	Actual 2015
<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>		
	2015-2016	2014-2015
	cents in the dollar	cents in the dollar
	dollar	dollar
General Rates	0.3782	0.3446
Vacant / Subdivisional	0.7564	0.6892
Rural Agricultural 40-100ha	0.3404	0.3102
Rural Agricultural >100ha	0.3026	0.2757
General Rates	26,147	23,425
Municipal Charge	5,401	5,334
Waste Management Charge	4,485	4,391
Supplementary Rates & Rate Adjustments	370	269
Interest on Rates	314	264
Total Rates & Charges	36,717	33,683

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2014, and the valuation was first applied in the rating year commencing 1 July 2014.

Note 4. Statutory Fees & Fines

Infringements & Costs	245	315
Town Planning Fees	193	199
Total Statutory Fees & Fines	438	514

Note 5. User Fees

Aged Services Fees	1	1
Leisure Centre Fees	2,105	1,979
Building Services Fees	262	252
Waste Management Services	1,072	1,899
Design and Supervision Fees	293	272
Kindergarten Fees	342	296
Library Fees and Fines	74	73
Animal Registration Fees and Fines	418	445
Ex Gratia Revenue	189	152
Environmental Health Fees	116	102
Legal Fees recovered	247	282
Other Fees & Charges	238	349
Total User Fees	5,357	6,102

Mitchell Shire Council

Notes to the Financial Report for the year ended 30 June 2016

Note 6. Grants

\$ '000	Notes	Actual 2016	Actual 2015
Grants were received in respect of the following :			
Summary of grants			
Government Grants		11,201	8,210
Victorian Grants Commission		3,373	9,620
Total		14,574	17,830
Operating Grants			
Recurrent - Commonwealth Government			
Victoria Grants Commission		3,373	9,620
Regional and Local Community Infrastructure Grant		45	44
Recurrent - State Government			
Department of Human Services Grant		115	83
Victorian Roads Grant		116	112
Municipal Association of Victoria Grant		25	21
Department of Justice Grant		16	-
Australian Childhood Immunisation Register Grant		6	7
Department of Education and Early Childhood Development		2,096	2,106
State Emergency Service		29	29
IESIP Funding		-	4
Department of Transport Planning and Local Infrastructure		282	362
Department of Health - Grant		-	10
Total Recurrent Operating Grants		6,103	12,398
Non-recurrent - Commonwealth Government			
Nil			
Non-recurrent - State Government			
Department of Development, Business & Innovation		150	327
Department of Human Services Grant		145	132
Department of Justice Grant		9	63
Department of Treasury and Finance		(13)	658
Other Grant Income		28	23
Department of Education and Early Childhood Development		16	1
Department of Social Services		45	-
Department of Economic Development, Jobs, Transports and Resources		38	-
Youth Affairs Council of Victoria		10	-
VicHealth		10	-
Department of Transport Planning and Local Infrastructure		93	-
Department of Environment Land Water and Planning		4	-
Total Non-Recurrent Operating Grants		535	1,204
Total Operating Grants		6,638	13,602

Mitchell Shire Council

Notes to the Financial Report

for the year ended 30 June 2016

Note 6. Grants (continued)

\$ '000	Notes	Actual 2016	Actual 2015
Capital Grants			
Recurrent - Commonwealth Government			
Roads to Recovery		823	909
Recurrent - State Government			
Regional Development Victoria Grant		-	470
Total Recurrent Capital Grants		823	1,379
Non-recurrent - Commonwealth Government			
Department of Infrastructure		10	350
Roads to Recovery		1,528	-
Non-recurrent - State Government			
Department of Development, Business & Innovation		30	440
Country Roads and Bridges Initiative		-	1,000
Department of Transport Planning and Local Infrastructure		1,449	204
Victorian Roads Grant		234	198
Department of Justice Grant		5	97
Grant Income Reallocation		-	10
Department of Planning and Community Development		-	10
Department of Infrastructure		-	10
Department of Human Services		270	-
Country Fire Authority		14	-
Sustainability Victoria		211	-
Department of Environment Land Water and Planning		2,131	-
Regional Development Victoria		150	-
Department of Education and Early Childhood Development		1,000	-
Other		81	530
Total Non-Recurrent Capital Grants		7,113	2,849
Total Capital Grants		7,936	4,228
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:		4,048	1,381
Grants which were recognised as revenue in prior years and were expended during the current year in the manner specified by the grantor were:		592	1,012
Net Increase/(Decrease) in Restricted Assets Resulting from Grant Revenues for the Year:		3,456	369
Unspent Grants received on Condition that they be spent in a Specific Manner:			
Balance at start of year		1,381	1,239
Received during the financial year and remained unspent at balance date		4,048	1,381
Received in prior years and spent during the financial year		(592)	(1,012)
Balance at Year End		4,837	1,608

Mitchell Shire Council

Notes to the Financial Report
for the year ended 30 June 2016

Note 7. Contributions

\$ '000	Notes	Actual 2016	Actual 2015
Monetary Contributions			
Community Development		185	186
Recreational Land		248	76
Contributions to Infrastructure Works		445	-
Capital Works Project Contributions		220	46
Total Monetary Contributions		1,098	308
Non-Monetary Contributions			
Land Under Roads		422	611
Roads		1,992	5,789
Footpaths		679	1,722
Bridges		469	35
Drainage		1,717	3,025
Recreation		379	-
Furniture Open Spaces		8	-
Total Non-Monetary Contributions		5,666	11,182
Total Contributions		6,764	11,490
<i>Contributions of non monetary assets were received in relation to the following asset classes.</i>			
Land		422	611
Roads		1,992	5,789
Other Infrastructure		3,252	4,782
Total Non-Monetary Contributions		5,666	11,182

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

Land and Buildings			
Write Down Value of Assets Disposed		(83)	(209)
Total Net Gain/(Loss) on Disposal of Land and Buildings		(83)	(209)
Plant and Equipment			
Proceeds of Sale		408	669
Write Down Value of Assets Disposed		(329)	(478)
Total Net Gain/(Loss) on Disposal of Plant and Equipment		79	191
Infrastructure Assets			
Proceeds of Sale		-	49
Write Down Value of Assets Disposed		(200)	(195)
Total Net Gain/(Loss) on Disposal of Infrastructure Assets		(200)	(146)
Total Net Gain/(Loss) on Disposal of Property, Infrastructure, Plant & Equipment		(204)	(164)

Mitchell Shire Council

Notes to the Financial Report for the year ended 30 June 2016

Note 9. Other Income

\$ '000	Notes	Actual 2016	Actual 2015
Interest		383	276
Other Rent		226	157
Reimbursements		254	289
Provision for Doubtful debt adjustment		-	167
Other		19	2
Total Other Income		882	891

Note 10 (a). Employee Costs

Wages & Salaries		18,058	17,774
Work Cover		496	495
Casual Staff		1,956	2,247
Superannuation	10(b)	1,719	1,778
Fringe Benefits Tax		293	354
Other		49	26
Total Employee Costs		22,571	22,674

Note 10 (b). Superannuation

Council made contributions to the following funds:

Defined Benefit Fund

Employer Contributions to Local Authorities Superannuation Fund (Vision Super)	113	105
	113	105

Accumulation Funds

Employer Contributions to Local Authorities Superannuation Fund (Vision Super)	1,177	1,230
Employer Contributions - Other Funds	429	443
	1,606	1,673
Total Superannuation Costs	1,719	1,778

Refer to Note 33 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 2016

Note 11. Materials & Services

\$ '000	Notes	Actual 2016	Actual 2015
Utilities		1,532	1,286
Information Technology		724	728
Insurance		345	440
Contractors and Consultants		10,131	9,270
Materials		1,291	1,259
Motor Vehicles		1,204	1,437
Lease Payments		241	194
Education and Training		358	486
HACC Services Contribution		273	433
General Expenses		1,334	1,804
Audit Fees		107	105
Total Materials & Services		17,540	17,442

Note 12. Bad & Doubtful Debts

Other Debtors		23	8
Total Bad & Doubtful Debts		23	8

Note 13. Depreciation & Amortisation

Property			
Heritage Buildings		3	3
Buildings - Specialised		771	820
Buildings - Non Specialised		2,641	2,551
Building Improvements		122	114
Total Depreciation & Amortisation - Property		3,537	3,488
Plant & Equipment			
Library Books		248	247
Plant and Machinery		710	715
Motor Vehicles		616	685
Equipment and Furniture		144	147
IT Equipment		584	434
Total Depreciation & Amortisation - Plant & Equipment		2,302	2,228

Mitchell Shire Council

Notes to the Financial Report for the year ended 30 June 2016

Note 13. Depreciation & Amortisation (continued)

\$ '000	Notes	Actual 2016	Actual 2015
Infrastructure			
Roads		6,076	4,046
Bridges		332	299
Footways & Cycleways		758	717
Drainage		734	695
Recreational, Leisure & Community		472	410
Waste Management		444	282
Parks Open Spaces & Streetscapes		28	112
Other Infrastructure		49	47
Total Depreciation & Amortisation - Infrastructure		8,893	6,608
Total Depreciation & Amortisation		14,732	12,324

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

Note 14. Borrowing Costs

Interest - Borrowings	905	809
Total Borrowing Costs	905	809

Note 15. Other Expenses

Councillors' Allowances and Superannuation	290	283
Electronic Payment Fees	47	53
Bank Fees	77	83
Grants to Community Bodies	732	757
Landfill Levy	529	585
Other	9	4
Total Other Expenses	1,684	1,765

Mitchell Shire Council

Notes to the Financial Report for the year ended 30 June 2016

Note 16. Cash & Cash Equivalents

\$ '000	Notes	Actual 2016	Actual 2015
Current			
Cash at Bank and on Hand		4,355	6,884
Term Deposits		5,500	2,000
Total Current Cash & Cash Equivalents		9,855	8,884
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	3,140	3,174
Reserve funds and deposits	27	4,331	3,453
Total Restricted Funds		7,471	6,627
Total Unrestricted Cash & Cash Equivalents		2,384	2,257
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		5,638	1,845
Unspent Capital Grants received in advance for 2016/17 capital works		511	-
Unspent Grants (operating) *		398	3,427
Council contributions relating to unspent grant projects		74	103
Cash held to fund strategic planning projects carried forward		272	276
Waste Reserve		5,719	7,727
Total Funds Subject to Intended Allocations **		12,612	13,378

* The 2014/15 cash balance included \$3.2M prepaid financial assistance grants received for the 2015/16 financial year

**Mitchell Shire Council holds financial assets that are highly liquid in nature and sufficient to cover cash restrictions. As at 30 June 2016 Mitchell Shire Council held \$10 million in Financial Assets (2015: \$5 million)

Mitchell Shire Council

Notes to the Financial Report for the year ended 30 June 2016

Note 17. Trade & Other Receivables

\$ '000	Notes	Actual 2016	Actual 2015
Current			
Rates Debtors		4,105	4,201
Car Park and Footpath Schemes		2	3
Goods and Service Tax Paid		1,083	811
Sundry Receivables		3,104	2,172
Provisions for Doubtful Debts			
Provision for Doubtful Debts - Other Debtors		(215)	(246)
Total Current Trade & Other Receivables		8,079	6,941
Non-Current			
Car Park and Footpath Schemes		23	23
Total Non-Current Trade & Other Receivables		23	23
Total Trade & Other Receivables		8,102	6,964

a) Ageing of Receivables

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

Current (not yet due)	2,358	1,379
Past due by up to 30 days	291	121
Past due between 31 and 180 days	134	375
Past due between 181 and 365 days	39	35
Past due by more than 1 year	67	16
Total Trade & Other Receivables	2,889	1,926

b) Movement in Provisions for Doubtful Debts

Balance at the beginning of the year	246	417
New Provisions recognised during the year	-	8
Amounts already provided for and written off as uncollectible	(31)	(12)
Amounts provided for but recovered during the year	-	(167)
Balance at End of Year	215	246

Mitchell Shire Council

Notes to the Financial Report for the year ended 30 June 2016

Note 17. Trade & Other Receivables (continued)

\$ '000	Notes	Actual 2016	Actual 2015
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)		-	6
Past due by up to 30 days		-	11
Past due between 31 and 180 days		55	100
Past due between 181 and 365 days		34	56
Past due by more than 1 year		126	73
Total Trade & Other Receivables		215	246

Note 18. Other Financial Assets

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

Note 19. Inventories

Current			
Inventories Held for Sale		29	35
Inventories Held for Own Use		121	95
Total Inventories		150	130

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 2016

Note 21. Other Assets

\$ '000	Notes	Actual 2016	Actual 2015
Current			
Prepayments		661	222
Total Other Assets		661	222

Note 22. Property, Infrastructure, Plant & Equipment

\$ '000

Summary of Property, Infrastructure, Plant & Equipment

\$ '000	At Fair Value 30 June 2016	Accumulated Depreciation	Written Down Value 30 June 2016	At Fair Value 30 June 2015	Accumulated Depreciation	Written Down Value 30 June 2015
Land	37,783	-	37,783	37,361	-	37,361
Buildings	111,555	(37,644)	73,911	114,050	(36,600)	77,450
Plant & Equipment	19,321	(12,113)	7,208	19,325	(10,464)	8,861
Infrastructure	425,923	(107,877)	318,046	418,780	(101,211)	317,569
Work In Progress	5,906	-	5,906	3,131	-	3,131
	600,488	(157,634)	442,854	592,647	(148,275)	444,372

Summary of Work In Progress

\$ '000	Opening WIP	Additions	Transfers	Write Offs	Closing WIP
Plant & Equipment	-	60	-	-	60
Infrastructure	3,131	4,705	1,990	-	5,846
Total	3,131	4,765	1,990	-	5,906

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 2016

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	Total Property
\$ '000	Note									
At Fair Value 1 July 2015		33,492	3,869	37,361	239	33,962	77,494	2,355	114,050	151,411
Accumulated Depreciation at 1 July 2015		-	-	-	(133)	(11,667)	(24,157)	(643)	(36,600)	(36,600)
Carrying Value - 1 July 2015		33,492	3,869	37,361	106	22,295	53,337	1,712	77,450	114,811
Movements in Fair Value										
Acquisition of Assets at Fair Value		-	422	422	-	-	142	130	272	694
Revaluation Increments/(Decrements)		-	-	-	-	-	88	-	88	88
Fair Value of Assets Disposed		-	-	-	-	(2,233)	(110)	-	(2,343)	(2,343)
Transfers		-	-	-	-	-	(512)	-	(512)	(512)
Total Movements in Fair Value		-	422	422	-	(2,233)	(392)	130	(2,495)	(2,073)
Movements in Accumulated Depreciation										
Depreciation and Amortisation		-	-	-	(3)	(771)	(2,641)	(122)	(3,537)	(3,537)
Accumulated Depreciation of Disposals		-	-	-	-	2,233	27	-	2,260	2,260
Revaluation Increments/(Decrements)		-	-	-	-	-	233	-	233	233
Total Movements in Accumulated Depreciation		-	-	-	(3)	1,462	(2,381)	(122)	(1,044)	(1,044)
At Fair Value 30 June 2016		33,492	4,291	37,783	239	31,729	77,102	2,485	111,555	149,338
Accumulated Depreciation at 30 June 2016		-	-	-	(136)	(10,205)	(26,538)	(765)	(37,644)	(37,644)
Carrying Value - 30 June 2016		33,492	4,291	37,783	103	21,524	50,564	1,720	73,911	111,694

Mitchell Shire Council

Notes to the Financial Report
for the year ended 30 June 2016

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 2015		2,463	7,529	2,776	2,700	3,857	-	19,325
Accumulated Depreciation at 1 July 2015		(1,535)	(3,112)	(885)	(2,244)	(2,688)	-	(10,464)
Carrying Value - 1 July 2015		928	4,417	1,891	456	1,169	-	8,861
Movements in Fair Value								
Acquisition of Assets at Fair Value		160	46	255	72	445	60	1,038
Fair Value of Assets Disposed		-	(607)	(374)	-	-	-	(981)
Total Movements in Fair Value		160	(561)	(119)	72	445	60	57
Movements in Accumulated Depreciation								
Depreciation and Amortisation		(248)	(710)	(616)	(144)	(584)	-	(2,302)
Accumulated Depreciation of Disposals		-	423	229	-	-	-	652
Total Movements in Accumulated Depreciation		(248)	(287)	(387)	(144)	(584)	-	(1,650)
At Fair Value 30 June 2016		2,623	6,968	2,657	2,772	4,302	60	19,382
Accumulated Depreciation at 30 June 2016		(1,783)	(3,399)	(1,272)	(2,388)	(3,272)	-	(12,114)
Carrying Value - 30 June 2016		840	3,569	1,385	384	1,030	60	7,268

Mitchell Shire Council

Notes to the Financial Report
for the year ended 30 June 2016

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 2015		253,397	42,140	30,979	57,600	19,866	12,322	1,895	581	3,131	421,911
Accumulated Depreciation at 1 July 2015		(47,264)	(19,260)	(12,540)	(12,003)	(7,917)	(1,815)	(304)	(108)	-	(101,211)
Carrying Value - 1 July 2015		206,133	22,880	18,439	45,597	11,949	10,507	1,591	473	3,131	320,700
Movements in Fair Value											
Acquisition of Assets at Fair Value		3,727	732	815	1,792	410	-	8	21	4,705	12,210
Revaluation Increments/(Decrements)		1,351	-	-	-	-	-	-	-	-	1,351
Fair Value of Assets Disposed		(180)	(3,220)	(6)	-	(7)	-	11	-	-	(3,402)
Transfers		267	36	269	67	23	1,027	-	-	(1,990)	(301)
Total Movements in Fair Value		5,165	(2,452)	1,078	1,859	426	1,027	19	21	2,715	9,858
Movements in Accumulated Depreciation											
Depreciation and Amortisation		(6,076)	(332)	(758)	(734)	(472)	(444)	(28)	(49)	-	(8,893)
Accumulated Depreciation of Disposals		9	3,220	4	-	(20)	-	-	-	-	3,214
Revaluation Increments/(Decrements)		(986)	-	-	-	-	-	-	-	-	(986)
Total Movements in Accumulated Depreciation		(7,053)	2,888	(754)	(734)	(492)	(444)	(28)	(49)	-	(6,665)
At Fair Value 30 June 2016		258,562	39,688	32,057	59,459	20,292	13,349	1,914	602	5,846	431,769
Accumulated Depreciation at 30 June 2016		(54,317)	(16,372)	(13,294)	(12,737)	(8,409)	(2,259)	(332)	(157)	-	(107,877)
Carrying Value - 30 June 2016		204,245	23,316	18,763	46,722	11,883	11,090	1,582	445	5,846	323,892

Mitchell Shire Council

Notes to the Financial Report for the year ended 30 June 2016

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 2016 are as follows:

	Level 1	Level 2	Level 3
Land	-	33,492	-
Specialised Land	-	-	4,291
Specialised Buildings	-	-	21,524
Heritage Buildings	-	103	-
Buildings	-	50,564	-
Building Improvements	-	1,720	-
Total	-	85,879	25,815

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 2016 are as follows:

	Level 1	Level 2	Level 3
Roads	-	-	204,245
Bridges	-	-	23,316
Footpaths & Cycleways	-	-	18,763
Drainage	-	-	46,722
Recreational, Leisure & Community Facilities	-	-	11,883
Waste Management	-	-	11,090
Parks, Open Space & Streetscapes	-	-	1,582
Other Infrastructure	-	-	445
Total	-	-	318,046

Mitchell Shire Council

Notes to the Financial Report for the year ended 30 June 2016

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.

	Actual 2016	Actual 2015
Reconciliation of Specialised Land		
Land under Roads	4,291	3,869
Total Specialised Land	4,291	3,869

Mitchell Shire Council

Notes to the Financial Report for the year ended 30 June 2016

Note 23. Trade & Other Payables

\$ '000	Notes	Actual 2016	Actual 2015
Current			
Trade Payables		4,869	3,065
Accrued Interest		53	6
Accrued Salaries and Wages		688	549
Total Trade & Other Payables		5,610	3,620

Note 24. Trust Funds & Deposits

Current			
Fire Services Levy		1,023	1,468
Refundable Crossing Deposits		88	80
Refundable House Re-Erection Deposits		-	63
Refundable Contract Retentions		105	42
Refundable Developer Bonds		1,407	1,325
Other Refundable Deposits		517	196
Total Trust Funds & Deposits		3,140	3,174

Purpose and Nature of Items

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

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

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

Mitchell Shire Council

Notes to the Financial Report
for the year ended 30 June 2016

Note 25. Provisions

\$ '000	Employee Provisions	Landfill Restoration	Other	Total
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
2015				
Balance at the Beginning of the Financial Year	4,012	4,771	-	8,783
Adjustment to Provisions	1,708	4,707	-	6,415
Amounts Used	(1,760)	(874)	-	(2,634)
Balance at the End of the Financial Year	3,960	8,604	-	12,564

\$ '000	Notes	Actual 2016	Actual 2015
(a) Employee Provisions			
Current Provisions Expected to be wholly Settled within 12 Months			
Annual Leave		1,078	968
Long Service Leave		305	262
		1,383	1,230
Current Provisions Expected to be wholly Settled after 12 Months			
Annual Leave		365	474
Long Service Leave		1,636	1,727
		2,001	2,201
Total Current Employee Provisions		3,384	3,431
Non-Current			
Long Service Leave		508	529
Total Non-Current Employee Provisions		508	529
Aggregate Carrying Amount of Employee Provisions:			
Current		3,384	3,431
Non-Current		508	529
Total Aggregate Carrying Amount of Employee Provisions		3,892	3,960

Mitchell Shire Council

Notes to the Financial Report for the year ended 30 June 2016

Note 25. Provisions (continued)

\$ '000	Notes	Actual 2016	Actual 2015
(b) Land Fill Restoration			
Current			
Current		2,000	1,974
		2,000	1,974
Non-Current			
Non-Current		4,952	6,630
		4,952	6,630

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 will be 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

Current			
Borrowings - Secured		1,268	1,453
		1,268	1,453
Non-Current			
Borrowings - Secured		12,246	13,494
		12,246	13,494
Total Interest-Bearing Loans & Borrowings		13,514	14,947

a) The Maturity Profile for Council's Borrowings is:

Not later than one year		1,268	1,453
Later than one year and not later than five years		4,936	4,845
Later than five years		7,310	8,649
		13,514	14,947

Mitchell Shire Council

Notes to the Financial Report
for the year ended 30 June 2016

Note 27. Reserves

\$ '000	Balance at Beginning of Reporting Period	Increment (Decrement)	Share of Incr. (Decr) on Revaluation of the Asset Class by an Associate	Balance at End of Reporting Period
(a) Asset Revaluation Reserves				
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
2015				
Property				
Land - Specialised	17,501	-	-	17,501
Buildings	50,768	-	-	50,768
Plant and Machinery	927	-	-	927
	69,196	-	-	69,196
Infrastructure				
Roads	34,525	21,960	-	56,485
Bridges	747	-	-	747
Footpaths & Cycleways	947	-	-	947
Drainage	4,527	-	-	4,527
Waste Management	237	-	-	237
Other Infrastructure	83,818	-	-	83,818
	124,801	21,960	-	146,761
Total Asset Revaluation Reserves	193,997	21,960	-	215,957

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 2016

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				
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
2015				
Restricted Reserves				
Recreational Land	1,358	76	-	1,434
Community Development	1,765	185	-	1,950
Car Park	1	-	-	1
Willowmavin Estate	82	-	(82)	-
Subdivision Development	68	-	-	68
Old Kilmore Town Hall	9	-	(9)	-
Total Restricted Reserves	3,283	261	(91)	3,453
Discretionary Reserves				
Plant Replacement	214	-	(214)	-
Waste Management	6,730	1,819	(822)	7,727
Capital Works	336	-	(336)	-
WorkCover Premium	402	-	(402)	-
Strategic Acquisitions	2,382	-	(2,382)	-
Property Proceeds	1,034	-	-	1,034
Total Discretionary Reserves	11,098	1,819	(4,156)	8,761
Total Other Reserves	14,381	2,080	(4,247)	12,214

Mitchell Shire Council

Notes to the Financial Report for the year ended 30 June 2016

Note 28. Reconciliations of Cash Flows from Operating Activities

\$ '000	Notes	Actual 2016	Actual 2015
Surplus/(Deficit) for the Year		7,073	15,324
Depreciation/Amortisation		14,732	12,324
Profit/(Loss) on Disposal of Property, Infrastructure, Plant & Equipment		204	164
Contributions - Non-monetary Assets		(5,666)	(11,182)
Borrowing Costs		905	809
Change in Assets & Liabilities:			
(Increase)/Decrease in Trade & Other Receivables		(1,138)	652
(Increase)/Decrease in Inventories		(20)	(54)
(Increase)/Decrease in Prepayments		(439)	(74)
Increase/(Decrease) in Trade & Other Payables		1,990	(2,158)
Increase/(Decrease) in Provisions		(1,720)	(52)
(Decrease)/Increase in Other Liabilities		1,620	965
Net Cash Provided by/(used in) Operating Activities		17,541	16,718

Note 29. Reconciliations of Cash & Cash Equivalents

Cash & Cash Equivalents	16	9,855	8,884
Less Bank Overdraft	29	-	-
		9,855	8,884

Note 30. Financing Arrangements

Bank Overdraft	-	300
Total Facilities	-	300
Used Facilities	-	-
Unused Facilities	-	300

Mitchell Shire Council

Notes to the Financial Report for the year ended 30 June 2016

Note 31. 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
The Council has entered into the following commitments:					
2016					
Operating					
Street Cleaning Services	53	-	-	-	53
Cleaning of Council Buildings	390	390	194	-	974
Waste Collection and Garbage	2,300	2,300	6,900	6,900	18,400
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
2015					
Operating					
Waste Collection and Garbage	2,272	2,268	6,803	2,268	13,611
Property Valuation Services	119	-	-	-	119
Street Cleaning Services	224	224	670	224	1,342
Cleaning of Council Buildings	150	-	-	-	150
Fleet Management	150	-	-	-	150
Internal Audit Services	72	74	-	-	146
Aquatic Plant Maintenance	10	-	-	-	10
Mechanical Services	115	115	-	-	230
Environmental Health Service	360	370	381	-	1,111
Security Patrols	68	68	68	-	204
Banking Services	138	138	138	-	414
e-Tendering	4	4	4	-	12
Bulk Bin Cartage	260	196	589	196	1,241
Handmowing	83	-	-	-	83
Seymour Structure Plan	189	189	-	-	378
Structure Plans - Kilmore, Wandong and Heathcote Junction	473	-	-	-	473
Total	4,687	3,646	8,653	2,688	19,674

Mitchell Shire Council

Notes to the Financial Report for the year ended 30 June 2016

Note 32. Operating Leases

\$ '000	Notes	Actual 2016	Actual 2015
(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		243	241
Later than one year & not later than five years		568	848
Later than five years		57	-
		868	1,089

(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		145	171
Later than one year & not later than five years		224	507
Later than five years		141	1,106
		510	1,784

Mitchell Shire Council

Notes to the Financial Report for the year ended 30 June 2016

Note 33. 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 2016, 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.

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

Mitchell Shire Council

Notes to the Financial Report for the year ended 30 June 2016

Note 33. Superannuation (continued)

\$ '000

Employer Contributions

Regular Contributions

On the basis of the results of the 2015 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 2016, this rate was 9.5% of members' salaries (9.5% in 2014/2015). This rate will increase in line with any increase to the contribution rate. In addition, 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.

2015 Interim Actuarial Investigation Surplus Amounts

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

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

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

Mitchell Shire Council

Notes to the Financial Report for the year ended 30 June 2016

Note 33. 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 2016 are detailed below:

\$ '000	Scheme	Type of Scheme	Rate	Actual 2016	Actual 2015
	Vision Super	Defined benefits	9.5%	113	105
	Vision Super	Accumulation	9.5%	1,177	1,230
	Other Funds	Accumulation	9.5%	429	443

There were no contributions outstanding and no loans issued from or to the above schemes as at 30 June 2016.

Future Superannuation Contributions

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2017 is \$120,000.

Mitchell Shire Council

Notes to the Financial Report for the year ended 30 June 2016

Note 34. 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.

Mitchell Shire Council

Notes to the Financial Report for the year ended 30 June 2016

Note 35. 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 2016

Note 35. 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 2016

Note 35. 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 2.50-3.17%.

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 2016

Note 36. Related Party Transactions

\$ '000

(i) Responsible Persons

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

Councillors	Mayor - S Marstaeller D Callaghan B Chisholm B Cornish R Lee R Parker B Melbourne K Mulroney R Sanderson
Chief Executive Officer	D Turnbull

(ii) Remuneration of Responsible Persons

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

	Actual 2016	Actual 2015
\$20,000 - \$29,999	7	8
\$40,000 - \$49,999	1	-
\$60,000 - \$69,999	1	-
\$70,000 - \$79,999	-	1
\$260,000 - \$269,999	1	1
	10	10
Total Remuneration for the reporting year for Responsible Persons included above amounted to:	\$ '000 605	\$ '000 547

Mitchell Shire Council

Notes to the Financial Report

for the year ended 30 June 2016

Note 36. Related Party Transactions (continued)

\$ '000

(iii) Senior Officers Remuneration

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

- has management responsibilities and reports directly to the Chief Executive; or
- whose total annual remuneration exceeds \$139,000 (2015: \$136,000)

The number of Senior Officers other than the Responsible Persons, are shown:

Income Range:	Actual 2016	Actual 2015
\$136,000 - \$139,999	3	1
\$140,000 - \$149,999	1	3
\$150,000 - \$159,999	3	6
\$160,000 - \$169,999	1	-
\$170,000 - \$179,999	2	-
\$190,000 - \$199,999	-	1
\$200,000 - \$209,999	1	1
\$220,000 - \$229,999	-	1
	11	13
Total Remuneration for the reporting year for Senior Officers included above amounted to*:	\$ '000 1,979	\$ '000 1,758

(iv) Responsible Persons Retirement Benefits

The aggregate amount paid during the reporting period by Council in connection with the retirement of responsible persons was \$0 (2015 - Nil).

(v) Loans to Responsible Persons

No loans have been made, guaranteed or secured by the council to a responsible person of the council, or a related party of a responsible person are as follows:

(vi) Transactions with Responsible Persons

During the period Council entered into the following transactions with responsible persons or related parties of responsible persons.

- > Grant contributions received from Norcen Financial Services Ltd (Wallan and District Community Bank, branch of Bendigo Bank) \$76,000 towards Hadfield Park Playspace (\$520,000 total project contribution) and \$48,758 towards purchase of community bus - Related to Cr Sue Marstaeller (director Norcen Financial Services Ltd)
- > Broadford Community Centre Inc, \$5,600 in total, \$4,000 Grants, \$600 Food Safety Course, \$1,000 Movie Presentation – Related to Cr Sue Marstaeller, Cr Ross Lee and Cr Bill Melbourne.
- > Nexus Primary Health, \$364,052 in total, \$300,000 in HACC Service Fees, \$25,517.97 Outgoings and Lease Fees, \$36,498.47 Staff Member Secondment, \$382.56 Training Expense, \$253.00 Personal Care Fees Returned & Services League, \$1,400 for Hire of RSL – Related to Cr Des Callaghan
- > Australian Local Government Women's Association, \$690 in Membership Fees - Old Hume Highway 31 Limited \$21.50 in CD Purchases – Related to Cr Rhonda Sanderson

* The total remuneration for 2014/15 is lower due to longer periods of vacancies in senior officer positions during 2014/15. In 2015/16, as a result of a restructure, the number of senior officers reduced from 13 to 11. The total remuneration for 2015/16 includes payments made to officers impacted by the restructure.

Note 37. Events Occurring After Balance Date

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

Mitchell Shire Council

Annual Financial Report for the year ended 30 June 2016

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.

Laurie Ellis

Principal Accounting Officer

Date : 12/9/2016
Mitchell Shire Council, Broadford VIC



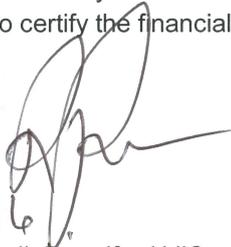
In our opinion the accompanying financial statements present fairly the financial transactions of Mitchell Shire Council for the year ended 30 June 2016 and the financial position of the Council as at that date.

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

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

Rodney Parker
Councillor

Date : 19/9/16
Mitchell Shire Council, Broadford VIC



Rhonda Sanderson
Councillor

Date : 19/9/16
Mitchell Shire Council, Broadford VIC



David Turnbull
Chief Executive Officer

Date : 19-9-2016
Mitchell Shire Council, Broadford VIC

INDEPENDENT AUDITOR'S REPORT

To the Councillors, Mitchell Shire Council

The Financial Report

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

The Councillors' Responsibility for the Financial Report

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

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

Auditor's Responsibility

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

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

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

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

Independent Auditor's Report (continued)

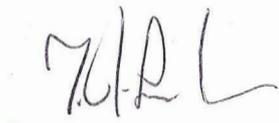
Independence

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

Opinion

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

MELBOURNE
21 September 2016


Andrew Greaves
Auditor-General

BEVERIDGE, WALLAN, UPPER
NTY, CLONBINANE, HEATHCO
NCTION, WANDONG, BYLANDS
YBES, KILMORE, KILMORE EA
ERFORD PARK, SUNDAY CRE
RANDING, WILLOWMAVIN, HI
MP, NULLA VALE, GLENAROU
UGARLOAF CREEK, HILDENE,
AROOK, TRAWOOL, WHITEHE
EEK, SEYMOUR, PUCKAPUNYA
GHLANDS, TARCOMBE, NORT
HWOOD, TOOBORAC, GLENH
HOPE EAST, MIA MIA, HEATHC
H BROADFORD WALLAN UP

MITCHELL SHIRE COUNCIL

113 High Street, Broadford 3658
t: (03) 5734 6200
f: (03) 5734 6222
e: mitchell@mitchellshire.vic.gov.au
w: www.mitchellshire.vic.gov.au

MITCHELL SHIRE COUNCIL



NOTTON, WANDONG, BYLANDS
KILMORE, KILMORE EA
ERFORD PARK, SUNDAY CRE
RANDING, WILLOWMAVIN, HI
MP, NULLA VALE, GLENAROU
UGARLOAF CREEK, HILDENE,
AROOK, TRAWOOL, WHITEHE
EEK, SEYMOUR, PUCKAPUNYA
GHLANDS, TARCOMBE, NORT
HWOOD, TOOBORAC, GLENH
HOPE EAST, MIA MIA, HEATHC
H BROADFORD WALLAN UP