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About this Annual Report

The *Murrindindi Shire Council Annual Report 2014-2015* details progress we have made in the past financial year, 1 July 2014 to 30 June 2015, towards achieving the actions of the *Council Plan 2013-2017* and the *2014-2015 Annual Budget*.

In this report we identify our achievements, challenges and what is planned for the year ahead under the four themes of Our Council, Our Economy, Our Environment and Our Community.

This Report contains audited financial reports and performance statements, as required by the *Local Government Act 1989* and is written for a variety of audiences including government agencies, the community, ratepayers and businesses.

Copies of this report are available at council offices or online at www.murrindindi.vic.gov.au

Further copies or questions/comments?

If you would like additional copies of our *Annual Report 2014-2015* or you have any questions or would like to provide us with feedback about this Report, please send your enquiry by email to mssc@murrindindi.vic.gov.au or post to Chief Executive Officer, Murrindindi Shire Council, PO Box 138, Alexandra 3714.

Contact us

ALEXANDRA

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KINGLAKE

19 Kinglake-Whittlesea Road, Kinglake
Ph: (03) 5786 1522 Fax: (03) 5786 1515

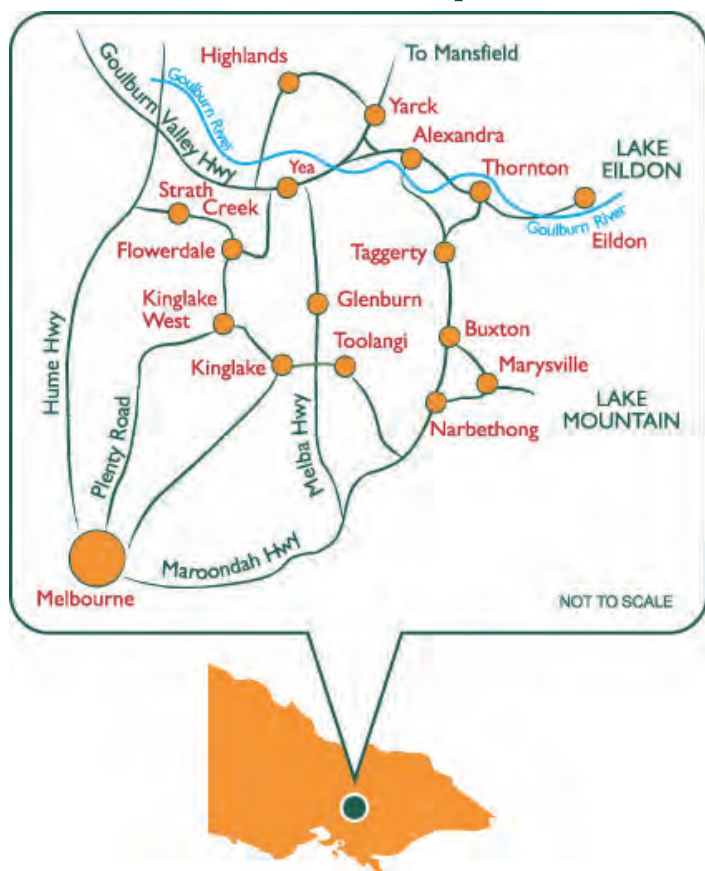
YEA

Civic Centre, Semi Circle, Yea
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ABOUT THIS REPORT



Murrindindi snapshot



Council services offered

- Economic Development
- Tourism services
- Events management
- Asset Management
- Waste management
- Environmental services
- Land use, development and subdivisions
- Parks and gardens
- Building control
- Aged and disability services
- Youth and recreational development
- Public Health
- Libraries
- Roads and bridges
- Children and family services
- Community development

Industries

- Agriculture, aquaculture, horticulture and viticulture
- Forestry and timber processing
- Tourism, hospitality and conferencing
- Light manufacturing and engineering
- Retail and trade services
- Health and Education
- Public services

Our history

The Wurundjeri tribe and the Taungurung language speakers are the traditional owners of the land known as the Shire of Murrindindi.

European settlement followed Hume and Hovell's overland exploration in December 1824. Many local towns were established during the 1850s and 1860s after the discovery of gold.

The Murrindindi Shire Council was declared on 18 November 1994 by the amalgamation of the former municipalities of Alexandra and Yea, and the addition of parts of the former municipalities of Healesville, Broadford, Eltham, Whittlesea and Euroa.

Our Shire

Location: 150 kms or 90 minutes north east of Melbourne

Area: 3873 sq kms (48% Crown Land)

Population: 13,595

(Estimates Residential Victorian Population: ABS 2014)

Councillors: 7

Rateable properties: 9537

Sealed roads (Council maintained): 487.5 kms

Unsealed roads (Council maintained): 713.7 kms

Townships & Localities

- Acheron • Alexandra • Buxton • Cathkin • Castella • Caveat
- Devil's River • Dropmore • Eildon • Fawcett • Flowerdale
- Ghin Ghin • Glenburn • Gobur • Highlands • Homewood
- Kanumbra • Kerrisdale • Killingworth • Kinglake • Kinglake Central • Kinglake West • Koriella • Limestone • Maintaingoon
- Marysville • Molesworth • Murrindindi • Narbethong
- Pheasant Creek • Rubicon • Strath Creek • Taggerty • Taylor Bay
- Terip Terip • Thornton • Toolangi • Whanregarwen • Yarck • Yea

Vision

Murrindindi Shire will be vibrant and progressive through strong connected communities within a healthy and attractive environment.

Values

- Integrity - We will be respectful, open and truthful in our dealings. Council will strive to be valued and trusted by the Murrindindi Shire community.
- Accountability - We will accept responsibility for our actions and be consistent in the application of our principles, policies and processes.
- Innovation - We will consider new ideas, opportunities and better ways of doing things. Council will constantly seek opportunities to look for new, more efficient and effective ways of providing its services.
- Respect - We will respect other people and their opinions and do as we say we will.
- Service Excellence – We will ensure that Council services meet quality, cost and efficiency standards; are responsive to need; accessible to members of the community for whom the service is intended; and demonstrate continuous improvement.

Message from the Mayor and Chief Executive Officer

It is with pleasure that we submit the Annual Report for 2014-15. Reflecting on the year's activities, it has been rewarding to work with the community to ensure local priorities are heard and integrated into Council's planning and projects.

Earlier contributions by communities across the Shire to the development of the Murrindindi 2030 Vision process continued to inspire Council action on a range of issues. Council continues to work to find the right balance between enabling growth and development, and ensuring the Shire retains both its natural beauty and the charming rural character of its towns.

This also provided the framework for our substantial consultation with the community, seeking its views on options under consideration to help meet the ongoing funding shortfall arising from the gifting of new and expanded assets to Council since 2009. The community clearly preferred Council to examine options for land sales and to review existing management arrangements and responsibilities for our public facilities, and this feedback has helped us to focus our efforts. Council is taking action to hand back costs associated with management of assets owned by other authorities and to give the Shire's communities a greater say – and greater responsibility – for the assets they use and hold dear. This work will continue in coming months and years.

Council has continued its efforts to attract additional State funding support to meet these increased costs. Council is also seeking funding support to promote the opportunities that are emerging across the Shire and the benefits for Government and other bodies in supporting these. Council also has had to build into its processes additional efforts aimed at addressing the consequences of a decision at the Federal level to freeze Federal Assistance Grant funding to councils.

Council worked to attract the kinds of activities to the Shire which will boost spending in the region; to this end, Council hosted the Municipal Association of Victoria's (MAV) Annual Rural and Regional Planning Conference and also made a successful bid for the Rural Councils Victoria (RCV) Summit, which will be held in Marysville in 2016 and will help boost tourism by highlighting the recovery and growth across the whole Shire.

Reducing obstacles to growth and development was also a priority. Council advocated strongly for the need to address mobile phone blackspots in the Shire and contributed to the efforts of the Member for Indi, Ms Cathy McGowan and the Indi Telecommunications Action Group in helping advance this important goal. We were rewarded with the announcement by the Federal Government that eight new mobile base stations would be constructed across the Shire over the next three years, with a significant improvement for mobile phone coverage anticipated. This should provide businesses, residents and visitors with much better communication capability.

Also contributing to development and growth across the Shire was Council's strong performance in providing fast and efficient building and planning services. 78% of planning permits were issued within the statutory timeframe of 60 days, compared to the state wide average of 65%, and 98% of building permits were issued within the target of 30 days. It is pleasing to note that the value of works proposed through the planning process is in excess of \$31 million, an increase of \$11 million over the previous year.

Council provided numerous opportunities for community engagement, consultation and information, including via building, planning and economic development



Margaret Abbey
Chief Executive Officer



Margaret Rae
Mayor

MAYOR & CEO MESSAGE

forums across the Shire. Several forums were held to discuss planned works and projects with the community and to seek input on a variety of infrastructure projects including the *Kinglake Streetscape Master Plan*, the *Taggerty Community Project*, the *Eildon and Yarck Streetscape Projects*, the *Yea Swimming Pool Redevelopment*, the Taylor Bay Waste and Recycling Compound and the replacement of the Ghin Ghin Bridge.

Council also ran a Grants Forum for community information and capacity building in conjunction with key community organisations across the Shire. An Aged Care Forum for stakeholders in our Shire was held to foster increased collaboration across the sector as well as examining opportunities for growth and investment. Other forums were held during the year to engage the community in the development of a Murrindindi Gaming Policy, the development of the Council's new *Rating Strategy*, and the draft *Lake Eildon Recreational Boating Infrastructure Plan*.

Council has a direct role in supporting the health and well-being of communities across the Shire. Council continues to provide support for the Shire's municipal swimming pools, which were visited by over 21,000 people over the year. Our three static libraries in Kinglake, Yea and Alexandra and our mobile library continue to carry on great work in our communities, by offering community and educational hubs and a wide range of engaging and exciting programs, attended by over 6000 people through the year. We would like to acknowledge too, the 'Friends of the Library' groups in Alexandra and Yea for their support to the contribution our libraries make in the community.

A particularly positive initiative this year has been *Access Murrindindi*. Introduced as a pilot program in Alexandra, this provided businesses with the opportunity to be assessed as 'access friendly' for those with either a permanent or temporary disability. Sixteen businesses have received promotional stickers so far. This

initiative then progressed to the development of the *Murrindindi Shire Mobility Maps* booklet which provides maps and information on accessible services and facilities in the Shire for residents and visitors.

Direct recycling initiatives on a trial basis at Alexandra and Yea have proved to be very successful and will be continued and extended. Other environmentally friendly initiatives have included participating in the *Watts Working Better Project* in conjunction with nine other councils. This initiative will see the replacement of 534 street lights in the Shire resulting in a significant reduction in costs and in greenhouse gas emissions.

Council also has a role in advocating on behalf of everyone to ensure government funding is maintained at appropriate levels. Council advocated to Federal and State Governments to retain funding for the Family Day Care Scheme and for the retention of key elements of the Home and Community Care (HACC) system in the transition from State to Federal Government management. Council also launched the Murrindindi Children's Network Facebook Page, to help parents share information and engage with the community.

Additionally, since the State Election, Council has been promoting ways of boosting the economy and development within the Shire and encouraging other sources of funding. Council has met local members of parliament, several former and new State Ministers and Shadow Ministers to advocate Council and community needs in areas such as planning, tourism infrastructure, aged care, education and support for key industry sectors including local industry-based training.

It has been an active and productive year, and we would like to extend our thanks to Councillors, staff and our community in helping us move toward a prosperous future for our Shire.



Margaret Abbey
Chief Executive Officer



Margaret Rae
Mayor

Councillors



Cr Margaret Rae

Mayor

Redgate Ward

First elected November 2012

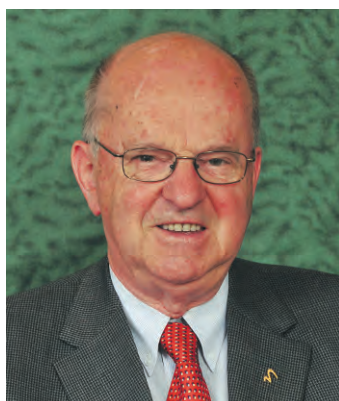
Portfolio:

The Mayor does not hold a Portfolio

Ward township: Alexandra

The Mayor is Chair of meetings of the Murrindindi Shire Council and represents Murrindindi Shire Council on the following advisory committees and external organisations:

- Internal Audit Advisory Committee
- Advancing Country Towns Strategic Steering Group
- Chief Executive Officer Performance Review Sub-Committee
- Economic Development Sub-Committee
- Alexandra Police & Community Consultative Committee
- High Country Councils Coalition
- Municipal Association of Victoria (MAV)
- Rural Councils Victoria (RCV)
- Mount Pleasant Reserve Committee of Management
- Alexandra Community Leisure Centre Committee of Management
- Alexandra Racecourse & Recreation Reserve Committee of Management (DEPI)
- Alexandra Showgrounds & Recreation Reserve Committee of Management (DEPI)
- Hume Regional Local Government Network



Cr John Kennedy

Deputy Mayor

Cheviot Ward

First elected:

November 2012

Portfolio:

Natural Environment & Climate Change

Ward townships:

Yea, Strath Creek, Flowerdale

The Deputy Mayor represents Murrindindi Shire Council on the following advisory committees and external organisations:

- Internal Audit Advisory Committee
- Chief Executive Officer Performance Review Sub-Committee
- Friends of Yea Shire Hall Advisory Committee
- Murrindindi Environment Advisory Committee
- Friends of Yea Railway Committee of Management
- Strath Creek Pioneer Reserve Committee of Management
- Yea Pioneer Reserve Committee of Management
- Yea Showgrounds & Recreation Reserve Committee of Management
- Yea Wetlands Committee of Management



John Walsh

Koriella Ward

First Elected: 2008

Portfolio:

Land Use Planning

Ward townships:

Yarck, Cathkin, Molesworth, Limestone, Highlands, Gobur

Cr Walsh represents Murrindindi Shire Council on the following advisory committees and external organisations:

- Central Ranges Local Learning and Employment Network (CRLLEN)
- Peri Urban Group of Rural Councils
- Timber Towns Victoria (TTV)
- Yea Saleyards Committee of Management
- Murrindindi Scenic Reserve Committee of Management (DEPI)

COUNCILLORS

Councillors



Cr Christine Challen **Cathedral Ward**

First elected:

November 2012

Portfolio:

Economic Development

Ward townships:

Taggerty, Buxton, Marysville, Narbethong

Cr Challen represents Murrindindi Shire Council on the following advisory committees and external organisations:

- Economic Development Advisory Committee
- Linking Murrindindi Partnership
- Goulburn River Valley Tourism Board
- MAV Arts & Culture Committee
- Workspace Australia Board
- Buxton Recreation Reserve Committee of Management
- Gallipoli Park Precinct Committee of Management
- Steavenson Falls Scenic Reserve Committee of Management (DELWP)



Cr Bernie Magner **Eildon Ward**

First elected:

November 2012

Portfolio:

Infrastructure & Waste

Ward townships:

Thornton, Eildon

Cr Magner represents Murrindindi Shire Council on the following advisory committees and external organisations:

- Audit Advisory Committee (alternate)
- Advancing Country Towns Strategic Steering Group
- Chief Executive Officer Performance Review Sub-Committee
- Goulburn Valley Waste & Resource Recovery Local Government Forum
- Eildon Alliance Boat Ramp Committee of Management
- Eildon Community Resource Centre Committee of Management
- Thornton Recreation Reserve and Hall Committee of Management
- Eildon Community Centre Committee of Management

In June 2015, Cr Magner announced his resignation as Councillor due to competing work commitments. Cr Magner's resignation was effective from 28 August 2015.



Cr Andrew Derwent **Kinglake Ward**

First elected:

November 2012

Portfolio:

Community Services

Ward townships:

Kinglake, Toolangi

Cr Derwent represents Murrindindi Shire Council on the following advisory committees and external organisations:

- Internal Audit Advisory Committee
- Murrindindi Environment Advisory Committee
- Kinglake Community Centre Advisory Committee
- Municipal Emergency Management Planning Committee
- MAV Emergency Management Reference Group
- CJ Dennis & Castella Public Hall Reserve Committee of Management
- Kinglake Memorial Reserve Committee of Management



Cr Cris Ruhr **King Parrot Ward**

First elected:

March 2010

Portfolio:

Corporate and Customer Services

Ward townships:

Flowerdale, Glenburn, Kinglake West, Pheasant Creek

Cr Ruhr represents Murrindindi Shire Council on the following advisory committees and external organisations:

- Glenburn Community Centre Committee of Management
- Flowerdale Community House Committee of Management
- Flowerdale Community Hall Reserve Committee Inc (DELWP)

In May 2015, Cr Ruhr announced his resignation as Councillor due to competing work commitments. Cr Ruhr's resignation was effective from 25 June 2015.

Our organisation

Chief Executive Officer

Margaret Abbey

Margaret joined Murrindindi Shire Council in 2010 with 26 years of local government experience. Margaret is the link between the elected Council and the organisation. The Council delegates a number of powers to Margaret to ensure she has the authority to fulfill her role. Margaret has focused on developing a financially sustainable organisation, as well as continued service delivery across the Shire.

Margaret is the Vice President of the Dame Pattie Menzies Centre Board in Alexandra and in her private capacity was recently elected Vice President of the International Bobbin and Needle Lace Organisation (OIDFA).

Margaret previously held the position of Group Manager, Environment and Planning Services at Nillumbik Council and her first council role was in the Southern Highlands of NSW. Margaret has an Arts Degree, a Masters Degree in Town and Country Planning and Postgraduate qualifications in Management from Victoria University.

General Manager Corporate and Community Services

Michael Chesworth

Michael has been with Murrindindi Shire Council since 1997 and has held a number of senior positions. His current role oversees a broad area of services within the Corporate and Community Services Division.

Michael oversees Business Services, Community Services, Library, Communications, Customer Service, Human Resources and Risk Departments, Finance & Rates, Governance, Procurement and Insurance, Records Management, Information Technology, Aged and Disability, Children's Services, Recreation and Youth.

General Manager Infrastructure and Development Services

Elaine Wyatt

Elaine relocated to Australia from the UK seven years ago and became an Australian citizen in 2013. Elaine joined Murrindindi Shire Council in November 2014.

Elaine has over 22 years experience in the Highways and Infrastructure industry including over 10 years in local government roles. Elaine's technical background is in Traffic and Transport and she holds a Bachelors Degree in Traffic Management and a Masters in Transport Engineering & Planning. Elaine also recently completed a Masters of Business Administration at Deakin University.

Elaine oversees the Infrastructure and Development Division of Council which includes the areas of Asset, Plant and Fleet Management, Capital Works, Environment and Waste, Health and Local Laws, Planning and Building, Economic Development and Emergency Management.

Former General Manager Corporate and Community Services

Tamara Johnson

Tamara joined Murrindindi Shire Council in 2012 as General Manager Infrastructure Services and was then appointed to the role of General Manager Infrastructure and Development Services following Council's transition to a two General Manager structure.

Tamara's role covered the management of Development and Environmental Services, Environmental Programs and Infrastructure Assets and Operations.

Tamara resigned from Council in September 2014 to take up a managerial position with Mitchell Shire Council.



Margaret Abbey



Michael Chesworth



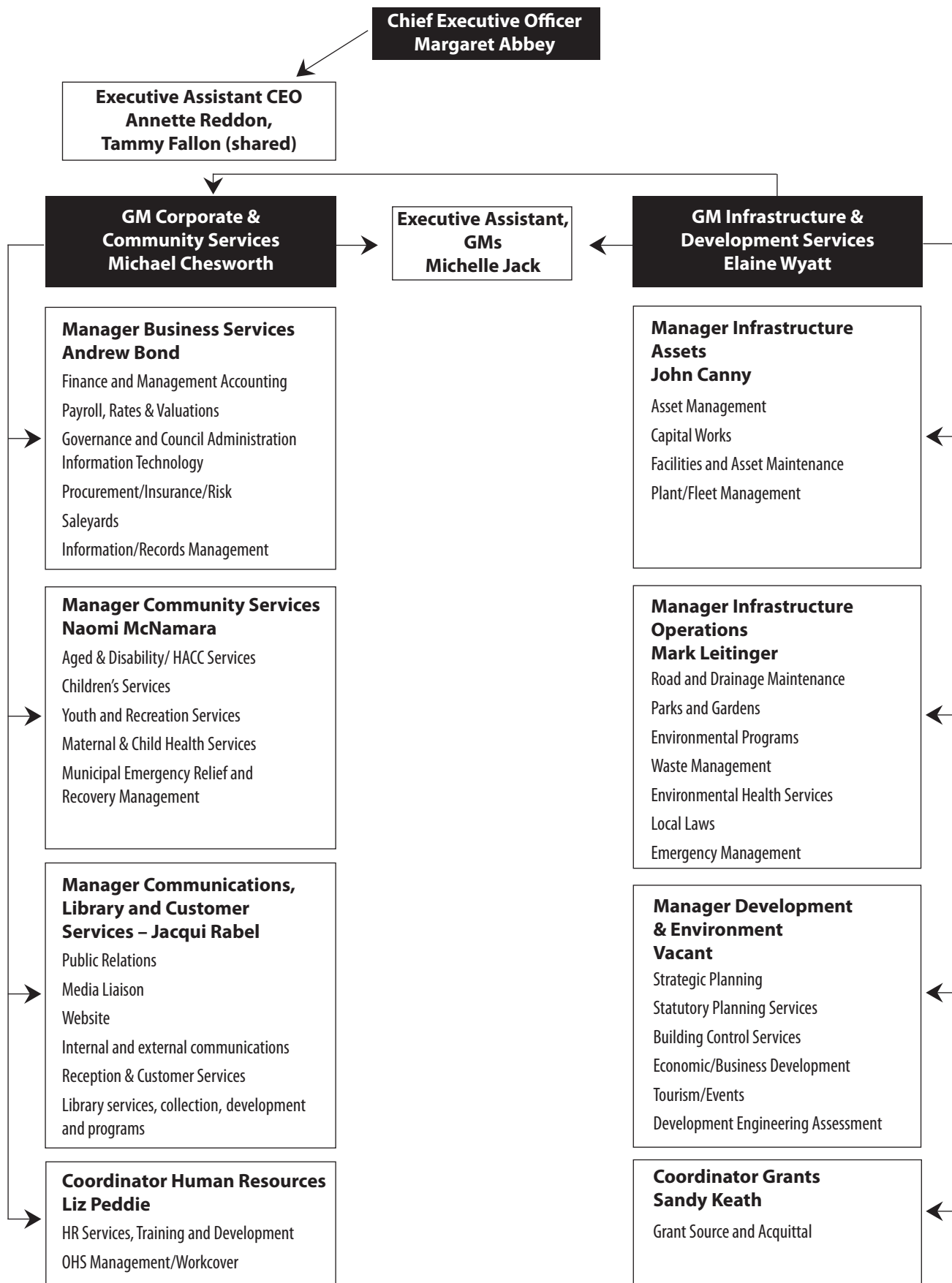
Elaine Wyatt



Tamara Johnson

OUR ORGANISATION

Organisational Structure



2014-2015 – the year in review

Our Community Goal			
Strategic objective	Achievements	Challenges	Year ahead
We will support and promote health and well-being, social connectedness and community involvement.	<ul style="list-style-type: none"> The <i>Access Murrindindi Project</i> has been successfully completed, culminating in a launch of the <i>Access Murrindindi Booklet</i> on 4 May 2015, which covers Marysville, Alexandra, Eildon, Yea and Kinglake. The shire wide Show me the Money! Grant Forum event was delivered in May 2015 and had over 77 community participants listening to presentations and attending grant skill development sessions. 	<ul style="list-style-type: none"> Planning of Home Based Child Care and Aged and Disability Services in the context of changing State and Federal Government social policy. Updating recreational strategy plans to assist in long term planning of parks and recreation facilities. 	<ul style="list-style-type: none"> Undertake an assessment of community needs with respect to recreation and use of open space facilities and programs. Support a partnership between aged care providers to retain and strengthen aged care services in the Shire.

Our Environment Goal			
Strategic objective	Achievements	Challenges	Year ahead
We will manage our natural and built environment in a responsible manner.	<ul style="list-style-type: none"> The review of the <i>Municipal Emergency Management Plan</i> was adopted by Council in October 2014. The Resource Recovery Centres recycled 71.2% of all waste entering the sites during the year. 	<ul style="list-style-type: none"> Identifying and seeking opportunities to fund the Capital Works renewal programs to assist in addressing the Infrastructure Renewal gap. Managing expectations from the community in relation to the Council's ability to reduce municipal fire risks within resourcing levels. 	<ul style="list-style-type: none"> Conduct a review of the <i>Significant Landscapes Study</i>. Develop a policy that defines the basis by which Council will fund infrastructure renewal and seek government endorsement.

2014-2015 – the year in review

Our Economy Goal			
Strategic objective	Achievements	Challenges	Year ahead
We will support the sustainable growth of Murrindindi Shire's businesses and the local economy.	<ul style="list-style-type: none"> Following strong advocacy relating to mobile phone deficiencies across the shire, federal funding was announced for eight new mobile base stations in Murrindindi to address existing communication black spots. Council made a successful bid for the <i>Rural Council's Victoria Summit</i> to be held in Marysville in 2016. 	<ul style="list-style-type: none"> Identifying and implementing mechanisms to promote the shire and its attractions that provide the best value for money given Council's limited resources. Attracting new residents, building investor confidence and growing employment opportunities at a time of widespread fiscal restraint. 	<ul style="list-style-type: none"> Investigate the creation of seed funding to support the establishment of new businesses in the Shire. In partnership with other agencies, undertake a feasibility study for the Giant Trees Trail linking all our State and National Parks.

Our Council			
Strategic objective	Achievements	Challenges	Year ahead
We will provide strategic leadership and effective governance that supports the aspirations of our community.	<ul style="list-style-type: none"> Council undertook substantial consultation with the community on options to help meet the funding shortfall arising from the gifting to Council of new and expanded assets following the 2009 fires. Council's <i>Rating Strategy</i> was adopted at the March 2015 Council meeting following extensive community consultation. 	<ul style="list-style-type: none"> Continuing to work with the community to improve its satisfaction with Council operations, advocacy and overall performance. Preparing Council's operations for the introduction of the State Government's proposed rate capping and variation framework. 	<ul style="list-style-type: none"> Engage the community on Council's strategy to give greater responsibility to communities for managing infrastructure. Increase the capacity to attract grants to support achievement of Council's strategic objectives.

Calendar of events

July 2014

- Council seeks community comment and feedback on the *Murrindindi Shire Council and Lake Mountain Alpine Resort Municipal Emergency Management Plan (MEMP)* and the draft *Yea Structure Plan*, which examines future land use, development, growth potential and servicing for the Yea township.
- The adoption of Council's *Governance Local Law 2* sees improved community participation in council meetings.
- Council undertakes a feasibility study for the proposed construction of a trail connecting Alexandra, Thornton and Eildon (and Lake Eildon) to the Great Victorian Rail Trail as part of the Advancing Country Towns (ACT) initiative.
- A group of Vietnamese Delegates visits Murrindindi Shire Council to learn more about the Shire's economy, growth areas and business investment potential, and the role of local government in community recovery following disasters, with particular interest in the aftermath of the 2009 bushfires.
- Two new citizens are welcomed at a ceremony held in Alexandra.
- Alexandra Secondary College students brave the cold weather to help plant trees at Mt Pleasant Reserve in Alexandra under a program run by the Murrindindi Climate Network.
- The *Watts Working Better Project* is officially launched. The Project involves changing more than 12,600 street lights to more energy efficient alternatives across the municipalities of Benalla, Campaspe, Greater Shepparton, Mansfield, Moira, Mitchell, Murrindindi, Strathbogie and Wangaratta.

August 2014

- The Y Water Discovery Centre in Yea is officially opened.
- Council adopts its Waste and Resource Recovery Strategy Plan which prioritises

re-use and recycling ahead of disposal to landfill and outlines strategies and actions to achieve this.

- Council formally adopts its *Rural Roadside Management Plan and associated Guidelines*, setting out Council's role, responsibilities and expectations and providing helpful information on how to conduct specific activities with consideration to protecting the roadside conservation value.
- Council reaches out to the community in finding a solution to its \$1.76 million annual shortfall, evaluating a range of potential measures that might be applied in the absence of additional financial support from the State Government. Feedback is sought through a variety of methods including a Facebook page dedicated to the campaign.
- Murrindindi Shire Council's Meals on Wheels team joins almost 700 other Meals on Wheels services across Australia to celebrate the 61st National Meals on Wheels Day.
- Six new citizens are welcomed at a ceremony held in Alexandra.
- The Yea Branch of Red Cross celebrates its centenary and Council hosts a morning tea to acknowledge the milestone.
- One of Council's longest serving staff members Helen Brookes retires after 30 years of cheerful and dedicated service in the field of Aged and Disability Services.

September 2014

- The Yea Showgrounds and Recreation Reserve receives grant funding from the State Government along with additional support from Murrindindi Shire Council to put towards major improvements to its sporting facilities.
- Council supports the Alexandra & District Open Garden Committee to install identification signage on a



Calendar of events



number of significant trees in Leckie Park, Alexandra.

- Council welcomes the opportunity to present the Shire as a potential investment location to a group of visiting delegates from China.
- Two new citizens are welcomed at a ceremony held in Alexandra.
- New development plans are approved by Council to guide future residential subdivision in Alexandra and Yea and assist with the facilitation of sustainable population and economic growth in the Shire.
- A new weighbridge is installed at the Alexandra Landfill which immediately improves daily operations. The bridge operates exclusively on solar power and ensures fair and consistent pricing of all waste entering the facility for disposal.

October 2014

- Council's Advocacy Funding Campaign continues to attract valuable feedback on the funding options Council is considering.
- Recycling facilities are improved across all of Council's Resource Recovery Centres with the introduction of 'hopper style' recycling skip bins.
- Another group of Vietnamese Delegates visit Murrindindi Shire Council.
- Two new citizens are welcomed in front of family and friends at a ceremony held at Alexandra.
- Murrindindi Shire Council hosts its second Business Forum to share ideas about growing the Shire. In attendance were local business and representatives from the real estate, financial services, banking and conveyancing sectors.
- Council releases its Year One progress report on the actions of its *Public Health and Wellbeing Plan 2013-2017*. The Plan sets out to actively promote and strengthen healthy and active communities in Murrindindi Shire and in its first year a number of significant

outcomes had been achieved.

- Murrindindi Shire Council is the proud winner of Tourism Victoria's Local Government Award for Tourism. The key theme of Council's award submission was "Getting Better Outcomes through Collaboration and Building Relationships".
- Bollygum Adventure Playground in Kinglake wins a Kidsafe National Design Award, recognising excellence and innovation in the provision of safe, creative playspaces.
- Murrindindi Shire Council re-elects Cr Margaret Rae as Mayor and Cr John Kennedy as Deputy Mayor for a second 12 month term.
- Council declares a two week amnesty period on open air burning to allow residents/landowners to prepare their properties for the summer fire season.
- The formal period for commenting on Council's Funding Advocacy Campaign closes with around 150 responses received. With a clear preference to avoid an increase in residential rates Council decides on a mix of the other five options to share the burden in the most equitable way.
- The Marysville Skate Park and barbecue shelter is officially opened with a community barbecue.

November 2014

- Murrindindi Shire's street lights begin to be fitted with energy efficient light globes under the *Watts Working Better Program*. Stage One saw more than 300 80W Mercury Vapour residential street lights replaced with T5 lights across Murrindindi Shire.
- Councillors and staff welcome Elaine Wyatt to the organisation to fill the vacant role of General Manager Infrastructure and Development Services.
- The Tower Motel in Marysville is transformed with support from

Calendar of events

Murrindindi Shire Council, and grant funding assistance from the Marysville and Surrounds Tourism and Events Program (MSTEP) and a matching investment contribution from the Federal Government. The Motel was one of the few commercial buildings left standing in the main street of Marysville following the 2009 bushfires.

- Murrindindi Shire Mayor Margaret Rae, Councillor John Kennedy and CEO Margaret Abbey play host to another group of visiting delegates, this time from Ho Chi Minh City.
- Community members, Murrindindi Shire Council staff and Nexus Primary Health celebrate the 'International Day of People with Disability' by building prosthetic hands for amputee landmine victims throughout the developing world.
- Another three new citizens are welcomed and celebrated with a ceremony in Alexandra.
- The Eildon Bowling Club is successful in its application for grant funding for rejuvenation works to the bowling green access ramp, change rooms and toilets.

December 2014

- The 2014 RACV Great Victorian Bike Ride tours through the Murrindindi Shire with an overnight stop in Alexandra. Approximately 4,000 bike riders descend on Leckie Park, turning the oval into tent city!
- Murrindindi Shire Council begins trialling a new system allowing the public to take materials from two of the Shire's Resource Recovery Centres at no charge. The trial is to improve the efficiency of recycling, re-use and re-purposing of unwanted materials.
- Another group of Vietnamese Delegates visit Murrindindi Shire Council.
- Three members of the community are recognised for their contribution during the 2009 bushfires by receiving

National Emergency Medals, presented in Alexandra.

- Three new citizens are welcomed at a ceremony held in Alexandra.
- Operation of the Y Water Discovery Centre in Yea is officially handed over to the Y Water Discovery Centre Association following the signing of a Memorandum of Understanding and lease agreement for the building and grounds.
- The *Murrindindi Shire Council and Lake Mountain Alpine Resort Municipal Emergency Management Plan (MEMP)* passes its statutory audit ensuring that it meets emergency management requirements and the needs of the Municipality.

January 2015

- Australia Day is celebrated throughout the Shire with nine celebrations coordinated by dedicated and hard working community groups. Three Australia Day awards were presented at celebrations in Yea, Marysville and Flowerdale, and a new Citizen was welcomed in ceremony held at Eildon.
- Cricket enthusiasts in Kinglake are treated to a visit from the ICC Cricket World Cup Trophy as part of its official 2015 tour.
- Murrindindi Shire Council Trainee Sophie Curren is named SKILLED Group Victorian Trainee of the Year.

February 2015

- Council staff roll up their sleeves to do their bit for Clean Up Australia Day. Fifteen staff volunteered a portion of their work day to clean up a section of Alexandra's UT Creek.
- Murrindindi Shire Council hosts an information evening for building practitioners. Attendees from around the district gained a better insight into the role that Council plays in the development process. The evening provided a platform for general



Calendar of events



discussion and valuable information sharing on topics such as changes to building standards and regulations and the expectations of Council's Building Surveyors when conducting on-site inspections.

- Mayor Margaret Rae, Councillors and Chief Executive Officer Margaret Abbey welcomes His Excellency General the Honourable Sir Peter Cosgrove and Her Excellency Lady Cosgrove to the Y Water Discover Centre at Yea Wetlands.
- Council welcomes another citizen at a ceremony in Alexandra.

March 2015

- A FReeZA pool party to mark the end of another great summer season at Yea pool doubles as a final hurrah before the facility undergoes a major redevelopment. Work on the \$1.08 million redevelopment begins just days after the pool's end of season closure.
- Staff from Council's Planning, Building, Infrastructure and Environmental Health Units hold information sessions in Kinglake and Marysville to assist residents affected by the 2009 bushfires who are yet to rebuild.
- Council's Planning Unit is awarded the 2015 High Commendation Rural Category Municipal Excellence by the Association of Consulting Surveyors Victoria Inc. (ACSV). The award recognises excellence in dealing with subdivision applications.
- Murrindindi Shire Council proceeds with the installation of a Recreation Vehicle Discharge Point in the car parking area located in the Station Street road reserve opposite Leckie Park in Alexandra. The site allows for caravans and campervans to responsibly discharge their sewer waste.
- A 'Mechanics Institute of Victoria' plaque is installed and unveiled at Council's Alexandra Library, in recognition and celebration of the earliest incarnation of the library as a 'Mechanic's Institute',

which was formed in 1877.

- Council's *Rating Strategy* is adopted by Council. The *Rating Strategy* sets out to achieve an equitable approach to the distribution of rates across different ratepayer categories in the Shire.
- The Terip Terip community celebrates the opening of its newly resurfaced tennis courts. The project was made possible through a State Government grant contribution of \$65,000 sought through Sport Recreation Victoria's Community Facility Funding Program. The Terip Terip Tennis Club and Recreation Reserve Committee of Management also contributed a further \$20,000 with Murrindindi Shire Council adding an extra \$12,800 in addition to managing the project.
- Alexandra's Rotary Park comes alive as Murrindindi Shire Council hosts a 'Harmony Day' event to celebrate Murrindindi Shire's cultural diversity.

April 2015

- Council's *2015/16 Draft Budget* and second year review of its *Council Plan incorporating the Strategic Resource Plan (SRP)* is put out for public exhibition. At the half-way point in the period covered by the Council Plan, Council is confident that its goals remain achievable within the limits of its carefully managed resources.
- Murrindindi Shire Council was recognised on the national stage at the 2015 QANTAS Australian Tourism Award Ceremony in Adelaide with a bronze award.
- The Alexandra Library welcomes new residents to the area through the introduction of a new program called 'New Networks' aimed getting people together over an old fashioned cup of tea.
- Murrindindi Shire Council is selected to host the Rural Councils Victoria Summit in March 2016. The Summit will be held in Marysville and surrounds. Being chosen to host the event is both an

Calendar of events

honour and a privilege.

- Murrindindi Shire Council takes out the top spot at the 2015 Victorian Local Government Management Australasia (LGMA) Challenge. The team of six ended ahead of 27 other Victorian Councils for the accolade. They went on to compete at the National level in June.
- Yea is treated to the musical talents of secondary students from the Murrindindi Shire and members of the Murrindindi, Mitchell and Strathbogie Shires' FReeZA programs. Over 60 young people participated in an all day music workshop where they collaborated to write and record a song called Master Plan as well as create an accompanying video clip. The song and video clip focus on the message of building your future and striving to achieve your goals.
- The Murrindindi Men's Shed Cluster receives a funding boost of \$5,000 following a successful grant application through Murrindindi Shire Council's Community Grant Program. The money was to be put towards assisting members of the Men's Shed Cluster to attend the Community Men's Shed Annual Conference in Newcastle in October 2015.

May 2015

- Murrindindi Shire is showcased at the Regional Victoria Living Expo staged at the Melbourne Convention and Exhibition Centre.
- The Murrindindi Shire *Mobility Maps Booklet* is launched, an initiative of Murrindindi Shire Council's Access and Inclusion Committee, providing information on accessible services and facilities within the Shire.
- The World War One (WWI) community roadshow 'ANZAC Centenary – Victoria's Journey of Remembrance' visits Yea Library entertaining audiences with storytelling, live theatre performances, video, guest speakers and interactive content.
- Council declares a two week amnesty period on open air burning for residents/landowners following the end of the declared fire danger period.
- The Princess Alexandra statue in Leckie Park, Alexandra undergoes an extensive refurbishment to restore it to its former glory.
- Preparatory work begins on the important task of replacing the ageing Ghin Ghin Bridge across the Goulburn River with a new two-lane bridge.
- Council hosts its first Show me the Money! Grant Forum, developed to inspire, educate and improve the capacity of individuals and groups to seek and administer grant funding. The successful forum was attended by 77 community members.
- Five members of the community are recognised for their contribution during the 2009 bushfires by receiving National Emergency Medals, presented in Toolangi.
- Murrindindi Shire Council in conjunction with Microchips Australia Pty Ltd hold a microchipping day as part of the RSPCA Million Paws Walk in Eildon.
- Murrindindi Shire Council partners with the Alexandra Lions Club to host a Beyond Blue Community Information evening in Alexandra. Over 60 people attended.
- The Murrindindi Children's Network hosts its second Early Years Conference. Titled 'Three Wishes', the conference brings together 85 early years' professionals from within and outside the Shire of Murrindindi.
- Murrindindi Shire Council Mayor Margaret Rae hands over the keys to the Topsy Gully Quarry to the new owners, the LS Quarry Group.
- Council acknowledges and thanks its volunteers with a special music event to coincide with National Volunteer Week.
- Murrindindi Shire Council's 2015/16





Budget and second year review of its Council Plan 2013-2017 incorporating the Strategic Resource Plan (SRP) are formally adopted.

- Federal Environment Minister, the Hon Greg Hunt classifies Leadbeater's possum as 'critically endangered' – the highest level of protection under federal legislation. Council resolves to commend the Minister on his actions and request he consider measures to compel the Victorian State Government to cease logging in the Central Highlands Region within Murrindindi Shire Council.
- The Mayor, Councillors and CEO welcome another group of visiting Vietnamese Delegates from Ho Chi Minh City.

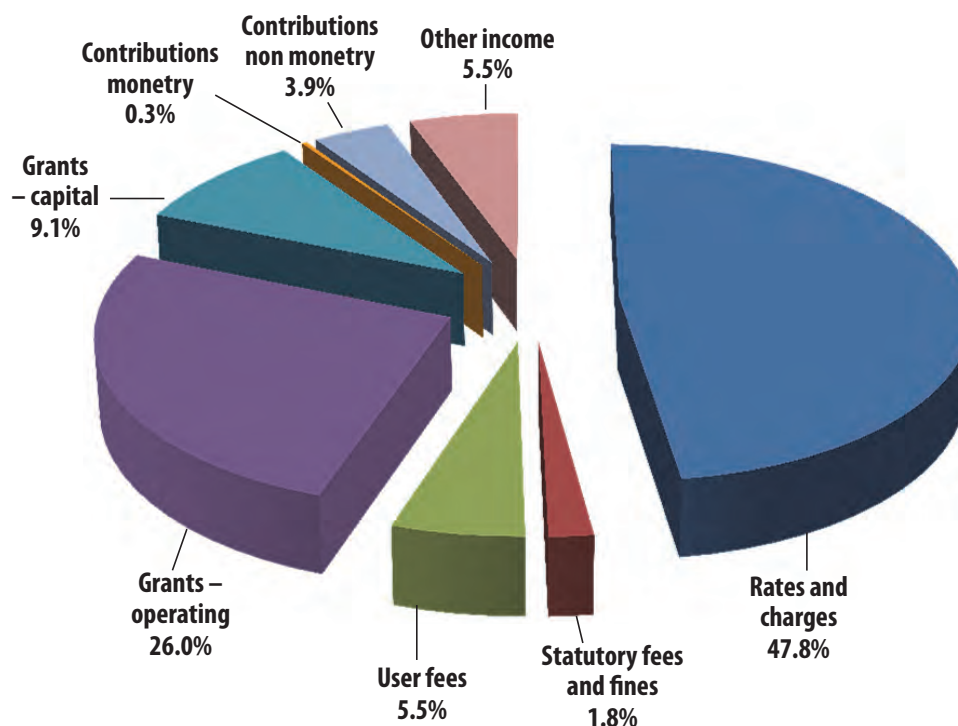
June 2015

- Murrindindi Shire hosts the 19th annual Truck, Ute and Rod Show in Alexandra. A memorial service is held at the Victorian Truck Drivers' Memorial in Rotary Park for the second year after the memorial's official unveiling at last year's event.
- The third quarter report on the Murrindindi Shire *Council Plan 2013-2017* shows good progress in achieving Council's goals and objectives.
- Murrindindi Shire Councillors host two groups of visiting Vietnamese Delegates eager to learn more about our industries and tourism attractions.
- Free parent information sessions are held in Alexandra and Yea focusing on the topic of managing sleep problems.
- Councillor Cris Ruhr and Councillor Bernie Magner submit their resignations from Council due to competing work commitments. Preparations get underway for the holding of by-elections in August 2015.
- Murrindindi Shire plays host to the annual Municipal Association of Victoria Rural and Regional Planning Conference. The conference held at Vibe Hotel, Marysville has over 190 delegates attending from around the State. Council's Planning and Building staff take groups on a tour of the fire-affected areas of the Shire to share their experiences of the rebuilding process.
- Nine officers from Council's Community Services department successfully complete a Certificate IV in Aged Care. Participants attended the face to face course in their own time, one day each month with much of the study being completed outside of the class time.
- The team of six Council staff members who won the State level Local Government Management Australasia (LGMA) Challenge in March represent Victoria at the National Finals. While the team didn't come away with a place in the top three, the judging panel said all teams performed to a very high standard, and it was a tough race to call.
- Council welcomes the decision by the Federal Government to fix eight mobile phone black spot areas across Murrindindi Shire, under the Federal Government's Mobile Black Spot Program. The long-awaited announcement will bring about much improved mobile phone coverage in Murrindindi Shire.

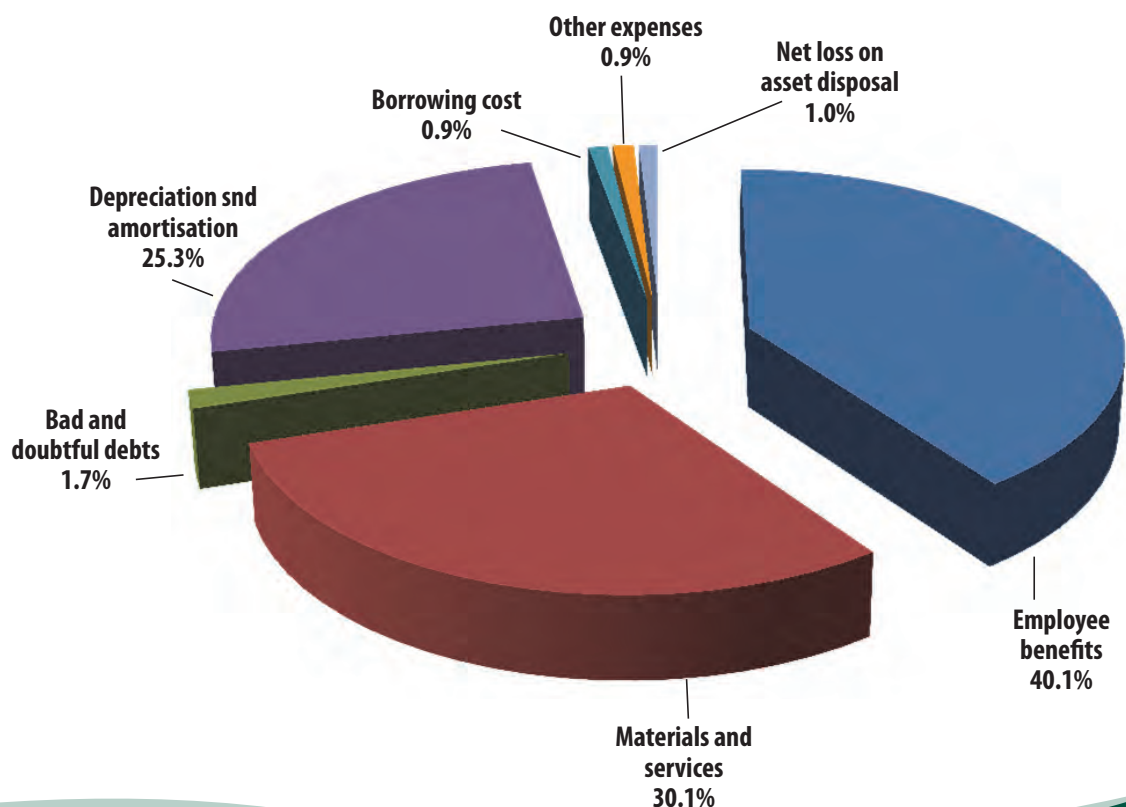
Financial overview 2014-2015

The following graphs are a summary of Council's financial reporting for the year ending 30 June 2015. For further financial detail refer to the Financial Report at the back of this report.

Income Breakdown

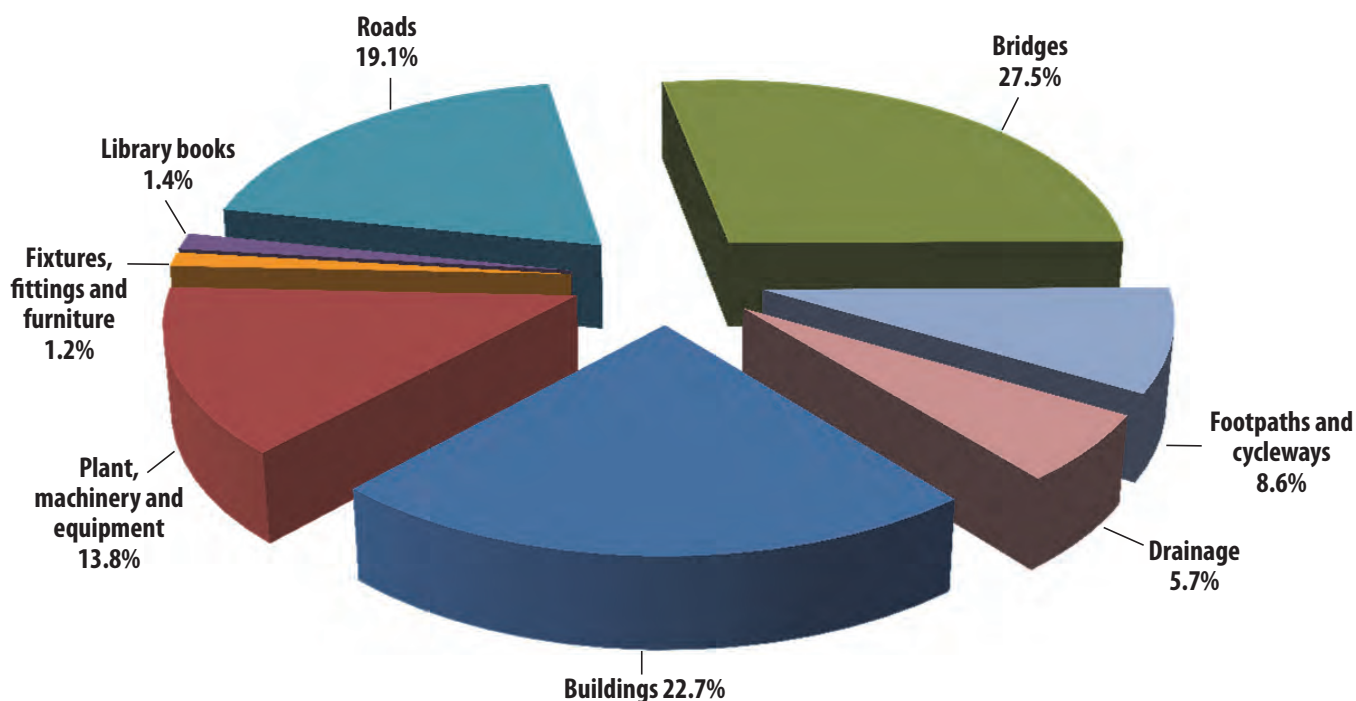


Operating Expense Breakdown



Financial overview 2014-2015

Capital Expenditure Breakdown



Council's operating surplus posted for the financial year of \$4.96m and the variance to budget of \$5.24m is primarily attributed to savings made in expenditure, particularly relating to materials and services (\$1.48m), as well as the advanced payment of the 2015-16 Financial Assistance Grant from the Commonwealth government of \$2.16m which was unexpectedly made to all local Councils by the Commonwealth government on 30 June 2015. Council also received positive movements against

budget for non-monetary contributions (\$1.39m), and for other income (\$1.1m).

The savings achieved in materials and services expenditure primarily relate to budgeted expenditure relating to the New & Gifted Assets which has been transferred to a financial reserve in accordance with Council's policy for putting aside funds for known future renewal costs. With the sale of the Topsy Gully Quarry no crushing of materials was undertaken which generated a further saving of \$150k, in addition to the \$300k received from the purchaser.

Further significant savings were achieved in facilities maintenance, insurance premiums and claims, and valuation costs that were deferred until 2015-16.

This result has contributed to Council's increase in equity by \$14.0m. The favourable operating surplus, combined with Council's improved cash position and repayment of debt, has helped ensure a healthier working capital position at the end of the 2015-16 financial year.

A further breakdown of Council's revenue and operational expenditure

performance is provided in the notes to the financial statements that are attached to this annual report.

Note 2 provides a comparison of Council's income statement to its original budget and an explanation of variances. Notes 3-8 provide further analysis of Council's revenue streams (rates, charges, grants, contributions, etc.). Notes 10-15 provide a breakdown of Council's expenditure, which includes employee costs, materials and services, borrowing costs, doubtful debts and depreciation.

Performance reporting

We report on our performance under the four goals of the *Council Plan 2013-2017*.

Our Community

We will support and promote health and wellbeing, social connectedness and community involvement

Our goal of Council and our community is to create vibrant, interconnected and inclusive communities.

Murrindindi Vision 2030 supports a strong sense of pride and belonging across the Shire. From arts programs, improved footpaths, on-going support of fire affected communities and new and upgraded recreational facilities; we aim to put the pieces in place for a healthy and active community. We will achieve this vision through strong support programs and robust policy decisions.

Our Environment

We will manage our natural and built environment in a responsible manner

Council will continue to look for ways to protect significant environmental values along with balancing the need to develop and manage our built environment. This will be achieved through leadership and cooperation with other agencies and community networks. Our Council will be recognised for its environmental practices as we look to balance our natural surrounds with our need to grow. We aim to achieve communities that are sustainable in the use of natural resources while developing planning policies that embrace and protect our rural landscapes.

Our Economy

We will support the sustainable growth of Murrindindi Shire's businesses and the local economy

A vibrant economy will attract people to our region and in turn open further opportunities for business expansion and investment. This will increase employment prospects, social and cultural benefits and population growth. A key focus of our activities will be the further development and enhancement of educational and training options across the Shire. While our attention will continue to be a vibrant tourism and agricultural-based economy, we need to also advocate for improved telecommunications networks that will encourage diverse and entrepreneurial businesses the opportunities to establish.

Our Council

We will provide strategic leadership and effective governance that supports the aspirations of our Community

By ensuring our long term financial sustainability, Council's priorities will be directed towards the implementation of the *Murrindindi Vision 2030*. Achieving the outcomes of this community-driven vision

will be our strong advocacy to all levels of government on local needs and issues, the implementation of a master plan to grow the Murrindindi Shire rate base through sound planning and support for economic development and the effective and efficient operation of the Council. By achieving this Murrindindi Shire will be a place of prosperity and opportunity.

Our Community

Health and Wellbeing

Strategic Objective – What we will do

We will advocate for and support the lifelong needs of our communities at all ages and all stages

Social Connectedness

Strategic Objective – What we will do

We will encourage inclusive, creative and resilient communities

Achievements

- The Murrindindi Children's Network Facebook Page went live and was promoted through Council's service providers and community networks.
- The *Access Murrindindi Project* has been successfully completed, culminating in a launch of the *Access Murrindindi Booklet* on 4 May 2015, which covers Marysville, Alexandra, Eildon, Yea and Kinglake.
- The Murrindindi Youth Partnership secured support from 90% of Primary and Secondary Schools in the shire to deliver the *Murrindindi Resilient Youth Project*, which will occur in 2015-2017 in support of youth wellbeing.
- The shire wide 'Show me the Money'! Grant Forum event was delivered in May 2015 and had over 77 community participants listening to presentations and attending grant skill development sessions.
- The *Social Connections Project* was completed which aimed to reduce the social isolation of people living in residential aged care and promote opportunities for residents and the broader community to come together. The project engaged over 40 residents across Kellock Lodge and Darlingford Upper Goulburn Nursing Home and community members to create a community choir, the Golden Oldies.

Community Engagement

Strategic Objective – What we will do

We will actively engage with our communities to increase participation and community input

Challenges

- Long term planning of Home Based Child Care and Aged and Disability Services in the context of changing State and Federal Government social policy
- Ensuring community facilities are effectively managed and well utilised without significant costs to Council
- Updating recreation strategy plans to assist in long term planning of parks and recreation facilities.

Looking forward

- Facilitating the development of a Community Arts and Culture Forum.
- Continuing to implement the *Municipal Public Health and Wellbeing Plan*, in conjunction with the community and key service partners.
- Undertaking an assessment of community needs with respect to recreation and use of open space facilities and programs.
- Supporting the development of a partnership between aged care providers to retain and strengthen aged care services in the Shire.
- Seeking funding to increase the capacity of communities to undertake their own local planning and management of community projects and facilities.

Council Plan activities

1.1 Health and Wellbeing – We will advocate for and support the lifelong needs of our community

1.1.1 Advocate for and support flexible delivery of early years services

Activities	Status	Comment on progress and outcomes
Implement recommendations of the <i>Early Years Social Media and Communications Strategy</i>	Completed	The Children's Network Facebook page has been operational since April 2015 and was officially launched at the Early Year's Conference in May 2015. Usage is increasing steadily and the page is being used to promote children's events, discussions, conferences, forums, parenting advice and health information. Feedback received from the community and funding providers has been positive. Three professional development forums have been completed targeting providers of early years support, health and education services. Forums have focused on family violence, analysis of key early years data and strategic planning in preparation for a collective impact initiative.

1.1.2 Promote and deliver effective transition through integrated aged care options

Activities	Status	Comment on progress and outcomes
Review the delivery of the <i>Planned Activity Program</i> to enhance flexibility and access	Completed	The <i>Planned Activity Programs</i> continue to be well attended with a number of new venues introduced following a review of the service. The staff are regularly seeking feedback from the clients and looking for ideas for improvement to enhance service delivery. Planning is in progress for a forum in the Kinglake area to identify needs of the residents with the intention to develop new groups. This will ensure equal access and opportunity across the Murrindindi Shire.

1.1.3 Support older people to remain active and healthy and connected to their community

Activities	Status	Comment on progress and outcomes
Progress the <i>Social Connections Project</i> in partnership with residential aged care facilities to improve the social connections of older people in the community	Completed	The <i>Social Connections Project</i> was completed during the year. The project aimed to reduce the social isolation of people living in residential aged care and promote opportunities for residents and the broader community to come together. The project engaged over 40 residents across Kellock Lodge and Darlingford Upper Goulburn Nursing Home and community members to create a community choir, the Golden Oldies. The support of the Alexandra Singers and activity staff at both facilities means the choir will continue to run on a fortnightly basis and can be sustained into the future. The Golden Oldies are practising to perform with the Australian Welsh Male Choir when it visits Alexandra in November 2015.

Council Plan activities

1.1.4 Strengthen partnerships with service providers to meet the demonstrated health needs of our communities

Activities	Status	Comment on progress and outcomes
Coordinate a Health and Wellbeing Consortium of services across Murrindindi Shire to support joint planning and coordinated service provision	Completed	The Health and Wellbeing Consortium has met regularly over the past year to assist in the ongoing development and evaluation of the <i>Municipal Public Health and Wellbeing Plan</i> . There are a number of impending changes to funding and service delivery arrangements across a range of community services as a result of recent Federal and State Government social policy. The Consortium has agreed that there is a range of opportunities for agencies to work collaboratively to advocate for, and deliver the best outcomes to communities across Murrindindi Shire. To this end, a further two strategic planning forums will be held in the coming months to build on these opportunities.

1.1.5 Actively engage with community health and wellbeing issues through implementation of the Municipal Public Health and Wellbeing Plan

Activities	Status	Comment on progress and outcomes
Actively engage with community health and wellbeing issues through implementation of the <i>Municipal Public Health and Wellbeing Plan</i>	Completed	The Year Two Implementation plan of the <i>Municipal Public Health and Wellbeing Plan</i> has been completed. Activities completed under the plan have included the delivery of the International Day of People with a Disability community awareness event, Children's Week pram strolls and healthy eating events in four locations across the Shire, and the Men's Health Expo held by Alexandra District Health. Council continued to work with the Prevention of Violence Against Women and Children Working Group to implement the <i>Courageous Conversations Project</i> in Murrindindi. Council also developed a <i>Draft Gaming Policy Framework</i> and undertook community consultation on this topic. The Alexandra District Health in conjunction with community members has developed a Food Op-shop in the Marysville Triangle area of the Shire. Work is underway to prepare the <i>Year Two Implementation Progress Report</i> and to finalise the <i>Year 3 Implementation Plan</i> .

1.1.6 Work with young people and service providers to identify and respond to youth priorities across their respective communities

Activities	Status	Comment on progress and outcomes
Coordinate and support the Murrindindi Youth Partnership to plan and deliver joint initiatives to address the needs of young people	Completed	The Murrindindi Youth Partnership secured support from 90% of Primary and Secondary Schools in the shire to deliver the <i>Murrindindi Resilient Youth Project</i> . The project will be delivered over 2015-2017 and enable greater awareness and collaboration to support youth wellbeing. Outcomes from the available data will guide the Murrindindi Youth Partnership's strategic focus moving forward. These outcomes and strategic focus will be referenced in the <i>Municipal Health and Wellbeing Plan</i> .

Council Plan activities

1.1.7 Support participation in a range of sport recreation and leisure activities

Activities	Status	Comment on progress and outcomes
Progress the redevelopment of the Yea Swimming Pool	Ongoing	A tender to re-develop the Yea Swimming Pool was successfully let in January 2015. Since this time significant progress has been made on the aquatic and building redevelopment works. The new kiosk and plant shed have been erected and the pre existing amenities upgraded. It is anticipated the upgraded facility will be completed well in advance of the pool opening in November 2015, enabling a smooth hand over to Council's Aquatic Operations team.

1.2 Social Connectedness – We will encourage inclusive, creative and resilient communities

1.2.1 Prioritise the activities of Council and engage other stakeholders to improve people's access and inclusion

Activities	Status	Comment on progress and outcomes
Promote Council's social support programs to allow and encourage innovative service delivery to meet the needs of people with a disability	Completed	Planned Activity Group Officers have developed interesting activities that have captured the attention and imagination of Dame Pattie Menzies Centre clients which has really encouraged them to extend themselves. Ongoing efforts are made to ensure that people with a disability are provided with an equitable access to all programs.

1.2.2 Ensure access and social connectedness is considered in the planning and development of facilities and infrastructure

Activities	Status	Comment on progress and outcomes
Complete the Access Yea Project in partnership with local traders and community to promote access friendly venues	Completed	The <i>Access Murrindindi Project</i> has been successfully completed, culminating in a launch of the <i>Access Murrindindi Booklet</i> on the 4 May 2015. Access audits were completed covering five townships across Murrindindi including Marysville, Eildon, Alexandra, Yea and Kinglake and key visitor information and accessible township features are highlighted in the booklet. Over 40 businesses and community buildings in these townships were assessed as part of a Friendly Access Initiative which complemented the <i>Access Murrindindi Project</i> . Businesses that were found to be access friendly were awarded the Access Friendly certification and provided with a certificate and sticker to display on their premises. Access friendly maps were created and are on the Council website. The <i>Murrindindi Access Booklet</i> is available at all Council offices, Libraries and at Visitor Information Centres.

Council Plan activities

1.2.3 Support participation in a wide range of artistic and cultural pursuits

Activities	Status	Comment on progress and outcomes
Enable community groups to coordinate and participate in arts and cultural events through the <i>Community Grants Program</i> and other initiatives	Completed	In the past 12 months the <i>Community Grants Program</i> has supported a range of community groups and activities including the Yea Arts Carnivale, Yea Centenary Show, student leadership initiatives through the Buxton Primary School, storage needs for the Alexandra Timber and Tramway Museum, a welcome event for the Great Victorian Bike Ride and Murrindindi Men's Shed Cluster Choir attendance at the National Men's Shed Conference. Council delivered a Harmony Day event to celebrate cultural diversity within the Shire. The event was supported by health and support service providers across Murrindindi and featured the African Soul drumming workshop. Council's newly revised <i>Arts and Culture Policy</i> was presented to Council and adopted in February 2015.

1.2.4 Work with communities to build resilience and prepare for future unplanned events

Activities	Status	Comment on progress and outcomes
Work with communities to build resilience and prepare for future unplanned events	Completed	Council officers joined with Nexus Primary Health to delivery three Recovery Road Show events in Yea, Flowerdale and Kinglake with the aim of promoting services available to communities. Council officers attended a Community Fire Safety Information evening at Flowerdale Community House and presented with the Country Fire Authority on Neighbourhood Safer Places. The final draft of the <i>Murrindindi Shire Council Relief and Recovery Plan</i> has been completed and will be available for public viewing in August 2015. Community groups, Service Clubs and Service Providers have been sent a letter inviting them to identify their capacity and capability to assist in a recovery effort through listing the resources they have available. A comprehensive community consultation process has been planned for July and August 2015 to promote the plan and consolidate partnerships with communities.

1.2.5 Support people and groups to work together to strengthen connections and community networks

Activities	Status	Comment on progress and outcomes
Work with the Murrindindi Learn Local Network to support community and neighbourhood houses	Completed	Council continued to participate in the Murrindindi Men's Shed Network. The Murrindindi Men's Shed Cluster was supported to apply for a Community Grant and was successful in obtaining funds to subsidise the attendance of 20 Men's Shed members from across Murrindindi at the National Men's Shed Conference in Canberra in October 2015. The Murrindindi Men's Shed Choir will be performing at the conference. Council remained in close contact with Community and Neighbourhood Houses during the year providing information and support through various networks and opportunities. A Council officer and Ward Councillor continue to sit on the Committee of Management at the Flowerdale Community House.

Council Plan activities

1.2.6 Recognise, support and value volunteers

Activities	Status	Comment on progress and outcomes
Work in partnership with key partners to support the coordination of volunteer recruitment and training	Completed	The Volunteer Advisory Group has met several times over the past year. There have been a number of changes to the volunteer coordination capacity at Berry Street and they are no longer in a position to coordinate the network. The group has discussed how the Volunteer Advisory Group may continue without this central role and a survey was developed to capture each agency's commitment and capacity to support its continued operation. There was some indication of support to continue the group and discussions are continuing on the future purpose and focus of the group.

1.2.7 Advocate for better access to public and social housing options

Activities	Status	Comment on progress and outcomes
Work with the Health and Wellbeing Consortium to develop an advocacy plan to communicate the need for additional public and social housing options in Murrindindi to State and Federal Governments	Ongoing	The Health and Wellbeing Consortium members reaffirmed their commitment to the development of a joint advocacy plan for an increase in public and social housing in the Murrindindi Shire. A strategic planning session was held with Health and Wellbeing Consortium members in January 2015. The session focused on reviewing the changing landscape of service delivery in light of new State and Federal Government social policy change and highlighting the impact of these changes to local communities. The Health and Wellbeing Consortium has planned to undertake strategic planning discussions in the coming months to progress the development of a shared advocacy plan. Increased access to crisis and low cost housing remains a critical issue to be included in this plan.

1.3 Community Engagement – We will actively engage with our communities to increase participation and community input

1.3.1 Trial and evaluate locality-based planning, that involves local communities

Activities	Status	Comment on progress and outcomes
Initiate locality-based planning process with an identified community	Deferred	This activity was deferred by Council.

Council Plan activities

The following statement provides the results of the prescribed performance indicators and measures including explanation of material variations.

Service Performance Indicators	Results	
Service/indicator/measure	2015	Material Variations
Aquatic Facilities		
Service standard		
Health inspections of aquatic facilities [Number of authorised officer inspections of Council aquatic facilities / Number of Council aquatic facilities]	1.00	No material variations for 2014/15. Trend analysis to be provided from 2015/16 onwards.
Health and Safety		
Reportable safety incidents at aquatic facilities [Number of WorkSafe reportable aquatic facility safety incidents]	0.00	No material variations for 2014/15. Trend analysis to be provided from 2015/16 onwards.
Service Cost		
Cost of outdoor aquatic facilities [Direct cost of outdoor aquatic facilities less income received / Number of visits to outdoor aquatic facilities]	\$15.02	No material variations for 2014/15. Trend analysis to be provided from 2015/16 onwards.
Utilisation		
Utilisation of aquatic facilities [Number of visits to aquatic facilities / Municipal population]	1.57	Data accuracy to be reviewed in 2015/16. Results for 2014/15 include estimates for daily family tickets which do not clearly specify the amount of children entering under this ticket.
Home and Community Care (HACC)		
Service standard		
Compliance with Community Care Common Standards [Number of Community Care Common Standards expected outcomes met / Number of expected outcomes under the Community Care Common Standards] x100	100.00%	No material variations for 2014/15. Trend analysis to be provided from 2015/16 onwards.
Libraries		
Utilisation		
Library collection usage [Number of library collection item loans / Number of library collection items]	1.86	No material variations for 2014/15. Trend analysis to be provided from 2015/16 onwards.
Resource standard		
Standard of library collection [Number of library collection items purchased in the last 5 years / Number of library collection items] x100	34.78%	No material variations for 2014/15. Trend analysis to be provided from 2015/16 onwards.
Service cost		
Cost of library service [Direct cost of the library service / Number of visits]	\$15.36	No material variations for 2014/15. Trend analysis to be provided from 2015/16 onwards.
Participation		
Active library members [Number of active library members / Municipal population] x100	16.68%	No material variations for 2014/15. Trend analysis to be provided from 2015/16 onwards.

Service Performance Indicators	Results	
Service/indicator/measure	2015	Material Variations
Maternal and Child Health (MCH)		
Satisfaction		
Participation in first MCH home visit [Number of first MCH home visits / Number of birth notifications received] x100	83.82%	No material variations for 2014/15. Trend analysis to be provided from 2015/16 onwards.
Service standard		
Infant enrolments in the MCH service [Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received] x100	89.71%	No material variations for 2014/15. Trend analysis to be provided from 2015/16 onwards.
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	106.53%	Participation levels are above 100% due to “drop-in” attendees who are visiting the Murrindindi Shire, particularly over the summer months. These children are enrolled in a different municipalities program and are only briefly utilising the MCH service in Murrindindi Shire whilst on holidays or transiting through the region.
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	100.00%	No material variations for 2014/15. Trend analysis to be provided from 2015/16 onwards.

Our Environment

Conservation of Resources

Strategic Objective – What we will do

We will use resources more efficiently and effectively

Protection of the Natural Environment

Strategic Objective – What we will do

We will protect and enhance the natural environment

Planning for Future Growth

Strategic Objective – What we will do

We will plan for future growth that is sensitive to the constraints of our natural environment whilst considering development needs

Asset Management

Strategic Objective – What we will do

We will apply a whole of life approach to the management and maintenance of Council's assets

Achievements

- The review of the *Municipal Emergency Management Plan* was completed and new Plan adopted by Council in October 2014.
- In excess of ten environmental sustainability initiatives were completed across a variety of groups including local businesses, community, Council and school groups.
- The Resource Recovery Centres recycled 71.2% of all waste entering the sites during the year which is a considerable achievement for the council and community.
- A tender to re-develop the Yea Swimming Pool was successfully let in January 2015. Since this time significant progress has been made on the aquatic and building redevelopment works.

Challenges

- Managing and promoting growth within the shire and recognizing this in the *Murrindindi Planning Scheme* to ensure the economic sustainability of the municipality moving forward.
- Managing the impacts on the community and Council associated with the proposed implementation of the new State Bushfire Management Overlay and State bushfire provisions in the *Murrindindi Planning Scheme* will present some challenges for the Murrindindi community.
- Managing expectations from the community in relation to Council's ability to reduce municipal fire risks within resourcing levels.
- Meeting expectation from community in relation to Council's ability to reduce weed cover within tight budget constraints.
- Identifying and seeking opportunities to fund the Capital Works renewal programs to assist in addressing the Infrastructure Renewal gap.
- Funding the ongoing operation maintenance and renewal of new and gifted assets received post 2009 Bushfires.

Looking forward

- Continuing to improve Council's energy management planning and practices.
- Collaborating with key local Landcare networks to identify and deliver environmental projects in Murrindindi Shire and to advocate for relevant funding.
- Conducting a review of the *Significant Landscapes Study*.
- Advocating for funding assistance to deliver infrastructure improvements identified through relevant Council and regional strategies.
- Supporting sustainable industries within the region through the provision of infrastructure advice and support.
- Developing a policy to guide Council in its decisions to take on or divest to the community, management responsibility for community assets.
- Developing a policy that defines the basis by which Council will fund infrastructure renewal and to seek government endorsement of the approach.
- Continuing to seek infrastructure grants to support future capital works, with a priority on infrastructure renewal.

Council Plan activities

2.1 Conservation of Resources – We will use resources more efficiently and effectively

2.1.1 Reduce our corporate footprint by using energy, water and materials more responsibly

Activities	Status	Comment on progress and outcomes
Implement the system that will identify baseline for corporate resource consumption and enable the organisation to set targets to reduce this baseline into the future	Completed	The "Planet Footprint" resource monitoring system has been procured and responsibilities assigned for monitoring resource consumption within the platform.

2.1.2 Encourage and recognise environmentally responsible behaviour and practices within Council and across the Murrindindi Shire community

Activities	Status	Comment on progress and outcomes
Design and identify strategies to fund a pilot program for energy improvements in a selection of Council buildings	Completed	Five Council buildings were identified during the year for the installation of solar panels as part of the energy management program of Council and these projects have been funded in the 2015/16 budget.

2.1.3 Strengthen Council's capacity to use resources more sustainably by cooperating with the Goulburn Broken Greenhouse Alliance (GBGA) and community networks

Activities	Status	Comment on progress and outcomes
Implement year two of the <i>Watts Working Better Program</i>	Completed	<p>Year 2 activities of the project has been completed which involved the installation of 356 energy efficient lights to replace existing mercury vapour public street lights. Preparations are being finalised for the roll out of stage two of the project which will involve the changing over of 178 Mercury Vapour street lights in the Alexandra and Yarck areas.</p> <p>In addition, Council is a participant in the \$267,000 Climate Smart Agriculture project facilitated by the Goulburn Broken Greenhouse Alliance, with Moira Shire Council being the lead agency. The Victorian State government is contributing \$200,000 to the project. The appointed consultant, Deakin University, has attended a meeting with Council officers to detail the scope and intended outcomes of the project which will include spatial tools indicating a range of potential future land uses.</p>

Council Plan activities

2.1.4 Implement the Waste Management Strategy that seeks to promote waste minimisation strategies and increase opportunities for recycling and reuse of resources

Activities	Status	Comment on progress and outcomes
Implement year one actions from the <i>Waste Management Strategy</i> .	Progress Delayed	<p>The <i>Waste and Resource Recovery Strategy Plan</i> identified 27 actions in Year one including a number of large capital projects. The completion of all the actions would have required a significant investment of resources that were not available and the action plan will be reviewed in future years in light of this. However there were a number of significant achievements during the year in implementing the <i>Waste Management Strategy</i> including;</p> <ol style="list-style-type: none"> 1. Participation in the newly formed Goulburn Valley Waste and Resource Recovery Forum; 2. Commencement of the detailed design for the new leachate pond at the Alexandra landfill site; 3. Establishment of a community reference group which has provided recommendations to Council on solutions to resolve the waste management issue at the Taylor Bay compound, and 4. Implementation of new contracts which commenced on 1 July 2015 for the collection of kerbside waste and the processing of recyclables.

2.2 Protection of the Natural Environment – We will protect and enhance the natural environment

2.2.1 Ensure Council operations are managed in a way that minimises impact on the natural environment

Activities	Status	Comment on progress and outcomes
Adopt the <i>Roadside Management Plan and Code of Practice</i> for managing environmental values in Council roadside reserves	Completed	The adopted <i>Rural Roadside Management Plan and Code of Practice</i> were published in hard copy, with an electronic version placed on Council's website.

2.2.2 Conserve high value sites on Council controlled land and roadside reserves by reducing environmental threats

Activities	Status	Comment on progress and outcomes
Implement Council's <i>Roadside Weeds and Pest Animal Control Program</i>	Completed	The annual roadside spraying program has been completed which included the spraying of Blackberries, Gorse, St John Wort, Cape Broom and Sweet Briar along priority Council roadsides.
Implement Council's <i>Roadside Weeds and Pest Animal Control Program</i>	Completed	Weed control works on priority roadsides identified under Council's <i>Roadside Weed and Pest Animal Control Plan</i> were completed for the year. Key target species include Blackberry, Sweet Briar, St Johns Wort, Cape and English Broom, Gorse and Paterson's Curse.

Council Plan activities

2.2.3 Encourage property development across the Shire that protects and enhances environmental values

Activities	Status	Comment on progress and outcomes
Develop and deliver an environmental communications strategy that sets out how the Council will communicate with households, businesses and agencies	Completed	The review of the <i>Local Planning Policy Framework (LPPF)</i> has incorporated strategies to ensure the future layout and form of residential and rural living subdivision and development is properly planned, recognising and protecting areas of high environmental significance and value. The LPPF encourages concentration of development in locations free from environmental constraints, where environmental values are protected.

2.2.4 Strengthen Council's capacity to work with key agencies that have responsibility to deliver local, regional, state and federal environmental policy and programs

Activities	Status	Comment on progress and outcomes
Continue collaborating with key local Landcare networks, as well as regional, state and federal agencies to identify and deliver environmental projects in Murrindindi	Completed	Council staff have continued to liaise with the Upper Goulburn Landcare Network throughout the year. This occurred through the regular Murrindindi Environment Advisory Committee meetings, attendance at the Goulburn Broken Local Government Biodiversity Reference Group and by providing assistance to local community groups including the Blackberry Action Group, the Yea Wetlands Committee of Management and the Mt Pleasant Reserve Committee of Management.

Council Plan activities

2.3 Planning for Future Growth – We will plan for future growth that is sensitive to the constraints of our natural environment whilst considering development needs

2.3.1 Improve the flexibility of the Murrindindi Planning Scheme's to respond to growth in a way that balances environmental values and improves the level of safety of our community

Activities	Status	Comment on progress and outcomes
<p>Update the <i>Murrindindi Planning Scheme (MPS)</i>, and incorporate the outcomes of the following major strategic studies:</p> <ul style="list-style-type: none"> • <i>MSS</i> • <i>KFT Plan</i> • <i>Hume Regional Growth Plan</i> • <i>Yea Structure Plan</i> • <i>Flowerdale Flood Study</i> 	Progress delayed	<p>Council is engaged in an active ongoing program of implementing changes to the <i>Murrindindi Planning Scheme</i>. The <i>MSS</i> review, which includes the <i>LPPF</i> review was heard by an independent panel on 12th May 2015, and the report was received in June 2015. The report recommended the adoption of the amendment with some minor changes. This was presented to Council in July 2015 for adoption.</p> <p>Amendment C55, the review of the <i>Development Plan Overlays</i>, and C46, the implementation of the <i>Yea Structure Plan</i>, were exhibited and submissions have been received on both amendments. The submissions are currently being assessed, and will be presented to council in the first quarter of 2015/16.</p> <p>The <i>KFT Streetscape Master Plan</i> was amended to reflect the feedback from the community and stakeholder consultation, and will be reported to Council for further consideration and adoption.</p>

2.3.2 Ensure that Council's emergency management planning responds to community safety needs

Activities	Status	Comment on progress and outcomes
Ensure that Council's emergency management planning responds to community safety needs	Completed	<p>Council has appointed its own Emergency Management Fire Coordinator (EMFC) to assist in ensuring Council's emergency management responsibilities are better aligned with state and regional objectives. Council officers continued to participate with other Emergency Management Authorities in the implementation of the <i>Municipal Emergency Management Plan</i> and <i>Municipal Fire Management Plan</i> priorities.</p> <p>A full review of Council's <i>Municipal Relief and Recovery Plan</i> has also occurred during the year.</p>

2.3.3 Improve Council and community capacity to respond to the impacts of extreme weather events and longer term climate change

Activities	Status	Comment on progress and outcomes
Improve Council and community capacity to respond to the impacts of extreme weather events and longer term climate change	Completed	<p>The pilot energy management plan has been completed which has identified the use of solar panels on 5 council offices. A full <i>Energy Management Plan</i> will be included as part of the review of the <i>Environment Strategy</i>. Council is also participating in a <i>Climate Smart Agriculture</i> study and is working with the community on a number of initiatives such as the <i>Watts Working Better Education Program</i>.</p>

Council Plan activities

2.3.4 Adopt and implement the Municipal Strategic Statement (MSS) to establish future directions that align to the Council Plan

Activities	Status	Comment on progress and outcomes
Adopt and implement the <i>Municipal Strategic Statement (MSS)</i> to establish future directions that align to the Council Plan.	Completed	Amendment C54, the review of the <i>Municipal Strategic Statement (MSS)</i> and <i>Local Planning Policy Framework (LPPF)</i> , was heard by an independent panel on 12th May 2015, and the report was received in June 2015. The report recommended the adoption of the amendment with some minor changes. This is being presented to Council in July 2015 for adoption.

2.3.5 Promote environmentally sustainable design in future developments to achieve more energy and water efficient outcomes in our built environment

Activities	Status	Comment on progress and outcomes
Conduct a review of the <i>Significant Landscapes Study</i>	Deferred	This activity has been deferred to the next financial year due to resources being directed to the development of Council's <i>Gaming Policy</i> which is considered a higher priority.

2.3.6 Review and progress Council's implementation of the Urban Design Frameworks for settlements within the Shire

Activities	Status	Comment on progress and outcomes
Advocate for funding assistance to support initiatives linked to the <i>Hume Regional Growth Plan</i> implementation	Completed	Officers have continued to meet with the Department of Environment, Land, Water and Planning throughout the year in relation to funding opportunities to further enhance urban design frameworks/structure plans within the municipality, which align with the directions in the <i>Hume Regional Growth Plan</i> .
Commence implementation of the <i>Kinglake Ranges Flowerdale and Toolangi Plan and Streetscape Design Framework</i>	Progress Delayed	The <i>KFT Streetscape Master Plan</i> was amended to reflect the result of community and stakeholder consultation, and will to be reported to Council for consideration and adoption during 2015/16.
Undertake a Structure Plan for Eildon	Progress Delayed	Due to the State Government's restructure of its departments the funding previously identified for this project was put under review. The project was unable to proceed until the funding was confirmed in June 2015.

Council Plan activities

2.4 Asset Management – We will apply a whole of life approach to the management and maintenance of Council's assets

2.4.1 Manage and renew our existing infrastructure assets in a responsible manner

Activities	Status	Comment on progress and outcomes
Develop a Road Renewal Plan which seeks to outline priorities and actions in relation to the renewal of Council's road network	Progress Delayed	Completion of this plan has been delayed to enable Council to obtain more up to date condition audits on its road networks and will be completed in the first half of the next financial year.
Develop an Asset Disposal Policy	Completed	The draft <i>Asset Disposal Policy</i> has been developed and consulted on internally and is being considered for adoption by Council in July 2015.
Seek infrastructure grants to support future capital works programs to assist in reducing the Infrastructure renewal gap	Completed	Of the total of \$2.4M in grants sought in the 2014/15 financial year, Council was granted \$911k in funds that will assist in reducing the infrastructure renewal gap. The funding awarded is for revitalising the Eildon Town Centre, Ghin Ghin Road Safety Improvements, Yea Civic Centre Project, Yarck Streetscape and Yea Railway Station. Council was unsuccessful in its applications for funds for the Ghin Ghin Bridge project (\$1.575M).

2.4.2 Engage with relevant communities on the development of community infrastructure and services

Activities	Status	Comment on progress and outcomes
Assist community groups in the development of grant applications for infrastructure or services	Completed	The shire wide Show me the Money! Grant Forum event was delivered in May 2015. It was developed in partnership with the community and had over 77 community participants listening to presentations from grant providers and attending grant skill development sessions. Feedback received has been positive and an evaluation of the event will be conducted by the organising committee in the 2015/16 financial year.

Council Plan activities

2.4.3 Develop and deliver services with consideration of the impacts on the natural environment that meet community needs

Activities	Status	Comment on progress and outcomes
Develop and deliver services with consideration of the impacts on the natural environment that meet community needs	Completed	The proposed levels of service across the roads and parks areas has been reviewed by the Council and implemented and will continue to be monitored into the future.
Develop a policy which guides Council's decision making in relation to new infrastructure development	Deferred	Although work has commenced on this policy, it has been deferred to the next financial year to be developed along with Council's policies on infrastructure renewal and its decisions to take on or divest management responsibility for community assets.

Council Plan activities

The following statement provides the results of the prescribed performance indicators and measures including explanation of material variations.

Service Performance Indicators	Results	
Service/indicator/measure	2015	Material Variations
Animal Management		
Service standard		
Animals reclaimed [Number of animals reclaimed / Number of animals collected] x100	62.07%	No material variations for 2014/15. Trend analysis to be provided from 2015/16 onwards.
Service cost		
Cost of animal management service [Direct cost of the animal management service / Number of registered animals]	\$35.55	No material variations for 2014/15. Trend analysis to be provided from 2015/16 onwards.
Health and safety		
Animal management prosecutions [Number of successful animal management prosecutions]	0.00	No material variations for 2014/15. Trend analysis to be provided from 2015/16 onwards.
Food Safety		
Service standard		
Food safety assessments [Number of registered class 1 food premises and class 2 food premises that receive an annual food safety assessment in accordance with the <i>Food Act 1984</i> / Number of registered class 1 food premises and class 2 food premises that require an annual food safety assessment in accordance with the <i>Food Act 1984</i>] x100	89.77%	No material variations for 2014/15. Trend analysis to be provided from 2015/16 onwards.
Service cost		
Cost of food safety service [Direct cost of the food safety service / Number of food premises registered or notified in accordance with the <i>Food Act 1984</i>]	\$579.86	No material variations for 2014/15. Trend analysis to be provided from 2015/16 onwards.
Health and safety		
Critical and major non-compliance outcome notifications [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100	100.00%	No material variations for 2014/15. Trend analysis to be provided from 2015/16 onwards.

Service Performance Indicators	Results	
Service/indicator/measure	2015	Material Variations
Roads		
Satisfaction of use		
Sealed local road requests [Number of sealed local road requests / Kilometres of sealed local roads] x100	0.21	No material variations for 2014/15. Trend analysis to be provided from 2015/16 onwards.
Condition		
Sealed local roads below the intervention level [Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads] x100	87.66%	No material variations for 2014/15. Trend analysis to be provided from 2015/16 onwards.
Service cost		
Cost of sealed local road reconstruction [Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]	\$216.85	No material variations for 2014/15. Trend analysis to be provided from 2015/16 onwards.
Service Cost		
Cost of sealed local road resealing [Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]	\$28.56	No material variations for 2014/15. Trend analysis to be provided from 2015/16 onwards.
Satisfaction		
Satisfaction with sealed local roads [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	52.00	No material variations for 2014/15. Trend analysis to be provided from 2015/16 onwards.
Statutory Planning		
Timeliness		
Time taken to decide planning applications [The median number of days between receipt of a planning application and a decision on the application]	44.00	No material variations for 2014/15. Trend analysis to be provided from 2015/16 onwards.
Service standard		
Planning applications decided within 60 days [Number of planning application decisions made within 60 days / Number of planning application decisions made] x100	77.95%	No material variations for 2014/15. Trend analysis to be provided from 2015/16 onwards.
Service cost		
Cost of statutory planning service [Direct cost of the statutory planning service / Number of planning applications received]	\$1,785.55	No material variations for 2014/15. Trend analysis to be provided from 2015/16 onwards.
Decision making		
Council planning decisions upheld at VCAT [Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	100.00%	No material variations for 2014/15. Trend analysis to be provided from 2015/16 onwards.

Service Performance Indicators	Results	
Service/indicator/measure	2015	Material Variations
Waste Collection		
Satisfaction		
Kerbside bin collection requests [Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households] x1000	4.95	No material variations for 2014/15. Trend analysis to be provided from 2015/16 onwards.
Service standard		
Kerbside collection bins missed [Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts] x10,000	0.58	No material variations for 2014/15. Trend analysis to be provided from 2015/16 onwards.
Service cost		
Cost of kerbside garbage bin collection service [Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]	\$90.02	No material variations for 2014/15. Trend analysis to be provided from 2015/16 onwards.
Service cost		
Cost of kerbside recyclables collection service [Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins]	\$52.88	No material variations for 2014/15. Trend analysis to be provided from 2015/16 onwards.
Waste diversion		
Kerbside collection waste diverted from landfill [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	36.18%	No material variations for 2014/15. Trend analysis to be provided from 2015/16 onwards.

Our Economy

Workforce Development

Strategic Objective – What we will do

We will maximise the potential of the local workforce through education, training and employment opportunities

Improving Business Infrastructure

Strategic Objective – What we will do

We will advocate for the provision of infrastructure and services that supports business growth

Investment Attraction

Strategic Objective – What we will do

We will support local business retention and growth and attract new business and residential investment to the Shire

Tourism Development

Strategic Objective – What we will do

We will increase the economic, social and cultural benefits to the Shire of a growing tourism sector

Achievements

- Following strong advocacy relating to mobile phone deficiencies across the region Shire federal funding was announced for eight new mobile base stations in Murrindindi to address existing communication black spots.
- Council made a successful bid for the Rural Council's Victoria Summit to be held in Marysville in 2016.
- The *Alexandra to Eildon Trail Link Feasibility Study* was completed during the year with Council resolving to seek funding to construct the section of trail linking Eildon to Thornton contingent on a complete design of the trail being completed in 2015/16.

Challenges

- Attracting new residents, building investor confidence and growing employment opportunities at a time of widespread fiscal restraint.
- Identifying and implementing the mechanisms to promote the shire and its attractions that provide the best value for money given Council's limited resources.
- Continuing the momentum to promote areas affected by the 2009 bushfires following the completion of the Marysville and Surrounds Tourism and Events funding program.

Looking forward

- Continuing to advocate and support the provision of education and training opportunities within the Murrindindi Shire.
- Growing the rate base to support the future economic sustainability of the Shire.
- Investigating the creation of seed funding to support the establishment of new businesses in the Shire.
- Supporting the development of a master plan for the Alexandra Railway Precinct.
- Continuing advocacy to the State Government for funding for a study into the feasibility of a Giant Trees Trail within the Murrindindi and part of the Yarra Ranges Shires.

Council Plan activities

3.1 Workforce Development -We will maximise the potential of the local workforce through education, training and employment opportunities

3.1.1 Advocate for and support initiatives to improve post-secondary education opportunities in the Shire, including development of the Murrindindi Training Institute

Activities	Status	Comment on progress and outcomes
Work with MTI to establish a local employer and educator network to integrate local training provision with employment needs	Completed	Good outcomes were achieved in enhancing post secondary education and training options in the Shire. Alexandra CEACA took on responsibility for the practical aspects of the Murrindindi Training Institute (MTI) which delivered the Outdoor Recreation courses at Certificate 4 and Diploma level. The new Murrindindi Employers Training (MET) group was established to focus on the strategic aspects of industry led training. Alexandra CEACA developed, promoted and trialled a number of new courses in both aged care and hospitality. The new Executive Officer of the Central Ranges Local Learning and Employment Network was introduced to local stakeholders and provided background and context concerning the current challenges and opportunities relating to post secondary education in Murrindindi. Plans were initiated that will see greater input from the CRLLEN in facilitating future initiatives.

3.1.2 Support initiatives and activities of the Murrindindi Strategic Skills Training and Employment Network

Activities	Status	Comment on progress and outcomes
Work as part of the Murrindindi Strategic Skills Training and Employment Network to implement the recommendations of the <i>Murrindindi Training Needs Analysis Report 2013</i>	Progress delayed	Despite a number of good outcomes and very strong collaboration and networking enjoyed through the Local Strategic Skills Training and Employment Network (LSSTEN), some of the initiatives identified for action were delayed due to uncertainty of funding and a reduction in scope for the Central Ranges Local Learning and Employment Network. A range of work experience opportunities were undertaken by local students including involvement with the houseboat sector, a very successful careers day for the health sector was held in Seymour and progress was made regarding the potential of introducing a school based apprenticeship model in health and aged care.

3.1.3 Work closely with the Central Ranges Local Learning and Employment Network (CRLLEN) to improve local workforce development opportunities

Activities	Status	Comment on progress and outcomes
Work as part of the Murrindindi Strategic Skills Training and Employment Network to implement the recommendations of the <i>Murrindindi Training Needs Analysis Report 2013</i>	Completed	Following some uncertainty regarding funding for the CRLLEN going forward, strong advocacy and support for the activities of the CRLLEN led to confirmation from the State Government of a 4 year commitment, at a reduced level. A new Executive Officer was appointed and the CRLLEN Board undertook a strategic planning session to ascertain key priorities for the next 4 years. Plans were developed with the LSSTEN and the Executive Officer for a review of progress on key items in the <i>Murrindindi Training Needs Analysis</i> with a view to targeting a small number of new priorities in the coming year.

Council Plan activities

3.2 Improving Business Infrastructure – We will advocate for the provision of infrastructure and services that supports business growth

3.2.1 Support the development and implementation of the Hume ICT (Digital) Strategy and the Hume NBN Business Readiness Plan

Activities	Status	Comment on progress and outcomes
Participate in the Indi Electorate Mobile Blackspots Project	Completed	Significant outcomes were achieved through involvement with the Indi electorate Telecommunications Action Group (ITAG). Following an exercise to map existing infrastructure, a prioritisation process and strong advocacy relating to mobile phone deficiencies across the region, funding was announced for 8 new mobile base stations in the Murrindindi Shire. This will lead to significant improvements in mobile phone coverage across the shire.

3.2.2 Support further growth and development of the Yea Sale Yards subject to the availability of grant and reserve funds

Activities	Status	Comment on progress and outcomes
Implement the business case for the potential lease of additional land to support further enhancement of facilities at the Yea Saleyards for Council's consideration	Ongoing	Negotiations with adjacent landholders to the saleyards have occurred throughout 2014/15 in a bid to facilitate the purchase of additional land to assist in the consolidation and expansion of the Yea Saleyards. This will continue into 2015/16 as the land has not been sold to another party and dialogue remains ongoing with the current owners.

3.2.3 Facilitate opportunities to increase utilisation of available industrial land in the Shire

Activities	Status	Comment on progress and outcomes
Facilitate opportunities to increase utilisation of available industrial land in the Shire	Progress Delayed	Completion of the <i>Yea Structure Plan</i> during the year has created new industrial development opportunities in the Yea Saleyards precinct. Despite some delays relating to funding, the <i>Eildon Structure Plan</i> process was progressed in the last quarter of the year with consultants being appointed and initial inception meetings well underway. The <i>Eildon Structure Plan</i> will consider future options for residential and industrial land in and around Eildon with a focus on the growing needs of the houseboat maintenance and building sector. These Structure Plan outcomes add to existing industrial development opportunities in Alexandra and Narbethong.

Council Plan activities

3.3 Investment Attraction – We will support local business retention and growth and attract new business and residential investment to the Shire

3.3.1 Implement a business attraction and investment campaign

Activities	Status	Comment on progress and outcomes
Develop and implement the <i>Murrindindi Business Investment Prospectus</i>	Progress delayed	Significant progress was made in the development of the <i>Murrindindi Business Investment Prospectus</i> . Decisions were made on the platforms to be used, social media campaigns to be developed and the imagery and other content to be included in the investor attraction tools under construction. A range of other initiatives was completed in the process of developing and delivering the prospectus including two business forums, various pre development application meetings and the hosting of numerous investor group visits to the shire. Due to project resources being allocated to hosting a greater number of actual investor visits to the shire than anticipated, some aspects of the work plan were delayed and the project completion date was extended to December 2015.

3.3.2 Participate in a range of State Government sponsored initiatives that encourage people to Live, Work and Invest in rural and regional Victoria

Activities	Status	Comment on progress and outcomes
Investigate opportunities to attract investment in residential facilities for retiree and aged sectors	Completed	The potential for investment into the aged care sector was investigated and was subsequently included in the opportunities list developed for the <i>Murrindindi Business Investment Prospectus</i> . Considerations relating to the range of potential options to invest in this sector were informed by a forum including key local stakeholders, the State Government (Department of Health) and Council officers held at Alexandra District Health. Some investor interest was canvassed relating to two locations within the shire with a degree of expectation developed that investment in this sector will occur in at least one of those two locations in the near future.

3.3.3 Identify and promote opportunities for growth in housing and business development in and around the Shire's main townships

Activities	Status	Comment on progress and outcomes
Promote opportunities to expand residential and business investment in and around the Shire's major townships including associated Open Days	Completed	Opportunities for expansion of residential and business investment in the shire's main towns were promoted widely. The availability of residential land was increased via the adoption of the <i>Yea Structure Plan</i> . A successful 2015 Regional Victorian Living Expo occurred in April 2015 with over 10,000 potential relocators being given access to the Murrindindi stand and a range of brochures and other information. This was complemented with a regional stand that enabled conversations with local real estate agents and access to a display of local produce, food and wine. The "Region on a Plate" presentations on the main stage at the Expo saw quality local producers showcase all that the region offers visitors and new residents. The brief created for delivery of the <i>Eildon Structure Plan</i> places a focus on potential residential growth in and around the township.

Council Plan activities

3.4 Tourism Development - We will increase the economic, social and cultural benefits to the Shire of a growing tourism sector

3.4.1 In partnership with GRVT actively encourage investment in, and support development of new tourism product, attractions and accommodation options in the Shire

Activities	Status	Comment on progress and outcomes
Support the development of a Master Plan for the Alexandra Railway Precinct	Progress Delayed	Whilst State Government funding was confirmed for the Master Plan, the commencement of the project was initially delayed due to the need to resolve legal arrangements associated with the lease of the railway land with Victrack. The project finally commenced in the third quarter with the appointment of consultants to assist with the Master Plan development and the formation of a Project Reference Group to ensure community involvement in the development of the Plan. The project is now due for completion in February 2016.

3.4.2 Maintain strong relationships with government departments and agencies to promote enhanced tourism opportunities and infrastructure in the Shire such as the Giant Trees Trail and Toolangi Zip Line

Activities	Status	Comment on progress and outcomes
Complete a feasibility assessment of a trail link between Alexandra and Eildon	Completed	The <i>Alexandra to Eildon Trail Link Feasibility Study</i> was completed during the year with Council resolving to support the allocation of funds from the <i>Advancing Country Towns Project</i> to complete a full design of the Alexandra to Eildon trail and to construct a short section of the Eildon to Thornton stage. Subject to the design being completed Council also resolved to seek funding for the construction of the section of trail linking Eildon to Thornton.

3.4.3 Maintain strong relationships with government departments and agencies to promote enhanced tourism opportunities and infrastructure in the Shire such as the Giant Trees Trail and Toolangi Zip Line

Activities	Status	Comment on progress and outcomes
Support Murrindindi Inc in enabling local business and tourism associations to engage with Government departments and agencies	Completed	Support was provided to Murrindindi Incorporated (Murri Inc) to enable the organisation to function at a high level and to engage with local and state government agencies and key industry groups. Some initiatives include the development of the <i>Murri Inc Strategic Plan and Action Plan 2015 - 2017</i> , invitations for involvement/representation at business forums and on steering committees such as the <i>Murrindindi Business Investment Prospectus</i> steering committee, and a permanent place on the Murrindindi Shire Council Economic Development Advisory Committee. A funding request to Regional Development Victoria, with Council as the auspice, was lodged. If successful, the funding will resource a range of planned Murri Inc activities to be delivered in the 2016 - 2018 period.

Council Plan activities

3.4.4 Support event managers in the establishment and delivery of new tourism events across the Shire

Activities	Status	Comment on progress and outcomes
Work with key stakeholders to advocate for a feasibility study on the development of a major walking trail (Giant Trees Trail) linking our State and National parks	Completed	Council continued to advocate to the State Government for funding for a study into the feasibility of a Giant Trees Trail within the Murrindindi and part of the Yarra Ranges Shires.

For the 2014-15 financial year there are no prescribed performance reporting indicators to be measured that are relevant to the "Our Economy" section of the Council Plan.

Our Council

Leadership

Strategic Objective – What we will do

We will deliver visible leadership and advocacy

Customer Service

Strategic Objective – What we will do

We will deliver quality customer outcomes by continuing to find better ways of doing things

Achievements

- Following the State Government election, Council's advocacy efforts to the new State Government focused on looking at ways to encourage funding which will help boost the local economy and development within the Shire as well as continuing advocacy for further financial support.
- Council undertook substantial consultation with the community in relation to prioritising options under consideration to help meet the funding shortfall arising from the gifting of new and expanded assets to Council following the 2009 fires.
- Council's *Rating Strategy* was adopted at the March 2015 Council meeting following extensive community consultation.
- Council's new *Enterprise Agreement* was finalised and certified in 2014/15.
- Council finalised and tested a new *Business Continuity Plan* during 2014/15, to ensure that Council is best equipped to deal with any emergency business interruptions that might eventuate so that critical Council services can continue to be provided.
- Six officers participated in the Local Government Management Australia (LGMA) Challenge. The team won the Victorian state final and was invited to present their pre-challenge task to the national congress in Darwin as one of the top three teams from across Australia and New Zealand.

Financial Sustainability

Strategic Objective – What we will do

We will administer sound financial management practices

Staff

Strategic Objective – What we will do

We will have engaged and professional staff.

Challenges

- Continued development of systems, processes and policies to assist in compliance with procurement best practice with the aim of maximizing value for money for residents and ratepayers.
- Continuing to work with the community to improve its satisfaction with Council operations, advocacy and overall performance.
- Preparing Council's operations for the impact of the State Government's proposed rate capping and variation framework which is expected to come into operation as of 1 July 2016. The impact of this will require extensive strategic analysis of Council's service delivery and asset management responsibilities and will also necessitate extensive community consultation to prepare for this change in legislation.

Looking forward

- Progressing development of Council's customer request tracking processes and establishing indicators of Council's responsiveness.
- Outlining to the community how Council will implement its strategy to give greater responsibility to communities for managing infrastructure.
- Incorporating the Council's strategies for asset renewal and greater community stewardship of asset management into Council's Longer Term Financial Planning.
- Identifying opportunities to incorporate cadetships, traineeships and apprenticeships into the workforce.

Council Plan activities

4.1 Leadership- We will demonstrate visible leadership and advocacy

4.1.1 Involve community leaders in regular advocacy to State and Federal Governments on local needs and issues & 4.1.4 Communicate key Council decisions and strategies to the community in a variety of ways

Activities	Status	Comment on progress and outcomes
Advocate on behalf of the community on a minimum of 10 issues	Completed	<p>Council advocated on a range of issues during the year. Early in the year Council increased substantially its advocacy efforts with the former State Government in seeking funding assistance to help with the shortfall arising from the gifting of new and expanded assets following the 2009 bushfires. Following the State election Council's advocacy efforts focused on looking at ways to encourage funding which will help boost the local economy and development within the Shire as well as continuing advocacy for further financial support. This has involved meetings with local members of parliament, several former and new State Ministers and Shadow Ministers to press Council's needs in areas such as planning scheme amendments, local industry-based training, funding for structure plans, financial support for Council and key industry sectors and various tourism and economic development projects. Council also worked to attract the kinds of activities which will boost spending in the region; to this end Council made a successful bid for the RCV Summit to be held in Marysville in 2016.</p> <p>During the year Council successfully advocated via the Federal Member for Indi, Cathy McGowan and the Indi Telecommunications Action Group to the Federal Government regarding Murrindindi Shire's priorities on the Mobile Black Spots Program. The Federal Government announced in June that eight new base stations would be constructed by Telstra across the Shire over the next 3 years, with a significant improvement for mobile phone coverage anticipated.</p> <p>Council worked with the MAV in support of its advocacy efforts to secure adequate funding for both Aged and Disability Services and Early Childhood Services. Council advocated to Regional Development Victoria regarding accessing funding to support the implementation of the <i>Murrindindi Inc. Strategic Plan and Action Plan</i>. Council has contributed to submissions to the Federal Government advocating for the retention of key elements of the Victorian Home and Community Care system in the transition from State to Federal Government management. In June, Council hosted and participated in the Rural and Regional Planning conference held in Marysville.</p>

Council Plan activities

4.1.2 Actively develop and implement a long term vision for the Shire of Murrindindi

Activities	Status	Comment on progress and outcomes
Complete the <i>Murrindindi 2030 Vision</i>	Completed	Council adopted the <i>Murrindindi 2030 Vision</i> at its October 2014 Ordinary Council meeting and the Implementation Statement at its May 2015 Ordinary meeting. Parallel with the development of the <i>Draft Murrindindi 2030 Vision</i> work commenced on the development of a long term implementation plan. The staff and Councillor working groups have already identified potential actions to go into the long term implementation plan which will be completed once the <i>Murrindindi 2030 Vision</i> is finalised.
Develop a long term plan for the implementation of the <i>Murrindindi 2030 Vision</i>	Completed	The Implementation Statement for <i>Murrindindi Vision 2030</i> was adopted by Council at its May 2015 Ordinary Meeting.

4.1.3 Building community relationships and trust through community forums and engagement

Activities	Status	Comment on progress and outcomes
Building community relationships and trust through community forums and engagement	Completed	<p>Several community engagement forums were held during the year providing the opportunity for community input into Council's decisions and activities. Council undertook a substantial consultation with the community in relation to prioritising options under consideration to help meet the funding shortfall arising from the gifting of new and expanded assets to Council following the 2009 fires. Several forums were held to advise the community and seek input in relation to a variety of infrastructure projects including the <i>Yarck Streetscape Project</i>, the replacement of the Ghin Ghin bridge, the <i>Taggerty Community Project</i> and the Taylor Bay waste and recycling compound. Other projects for which community forums were held during the year included the development of a <i>Murrindindi Gaming Policy</i>, the <i>Kinglake Ranges, Toolangi and Flowerdale Streetscape Master Plan</i>, the development of the Council's new <i>Rating Strategy</i>, and the draft <i>Lake Eildon Recreational Boating Facilities Infrastructure Improvement Plan</i>.</p> <p>Council also ran a Grants Forum in Yea for community information and capacity building in conjunction with key community organisations across the Shire. Council hosted an Aged Care Forum for stakeholders, at Alexandra District Health to share information and collaborate across the sector and to discuss opportunities for growth and investment. As part of the <i>Watts Working Better Project</i> Council ran business and community forums relating to energy efficiency.</p>

Council Plan activities

4.2 Customer Service – We will deliver quality customer outcomes by implementing better ways of doing things

4.2.1 Build on our customer service and communications with the community

Activities	Status	Comment on progress and outcomes
Establish an Electronic Customer Service Request System	Completed	A review of Council's customer service operations was concluded during the year which has highlighted a number of areas for improvement in handling customer needs and requirements which will be implemented progressively over the next two years. Council appointed and has trained a new Customer Service Trainee at its Alexandra Office.

4.2.2 Continue to improve our processes to enhance the efficiency and effectiveness of the organisation

Activities	Status	Comment on progress and outcomes
Implement business process improvements related to: Governance, Procurement Roadmap, Electronic Document Management System, Finance Systems, Murrindindi Services Review	Completed	<p>Council adopted a new framework for the review and development of policies during the year. This involved a review of the status of all Council policies and a program to ensure the ongoing relevance and alignment with the new policy framework.</p> <p>A full review of Council's <i>Procurement Policy</i> was adopted by Council in December 2014. Further training for Council officers highlighting the new compliance requirements has occurred for all delegated officers in 2014/15.</p> <p>Council's new electronic document management system has now been rolled out across 100% of the organisation. Stage 2 of the project commenced which focuses on eliminating paper-based processes and removing obsolete computer storage drives and physical archives of Council records. This stage will extend into 2015/16.</p> <p>Council participated in a trial of the new Performance Reporting Framework for the first quarter of 2014/15 facilitated by Local Government Victoria. Council received a successful report highlighting Council's ability to comply with the new framework for the 2014/15 financial year. The implementation of this framework has been incorporated into Council's financial year end processes and is represented in this Annual Report.</p> <p>Council officers have finalised a new <i>Business Continuity Plan</i> during 2014/15, to ensure that Council is best equipped to deal with any emergency business interruptions that might eventuate so that critical Council services can continue to be provided. This plan was tested in May 2015 with the results showing that Council is well placed should it ever be required to put this plan into action. Further testing will be undertaken in 2015/16 and beyond to ensure that the Plan remains current and that officers are trained appropriately.</p>

Council Plan activities

4.3 Financial Sustainability – We will administer sound financial management practices

4.3.1 Growing our rate base through diligent planning

Activities	Status	Comment on progress and outcomes
Develop and coordinate a master plan for growing the rates base	Progress delayed	<p>Work on this project has not progressed substantially this year and will need to be carried forward into 2015/16. Council has, however, recently restructured a number of positions internally to ensure a more streamlined approach to facilitating economic development and growth in the Shire and to make the Council more accessible to those who want to undertake development.</p> <p>The newly created position of Manager Development will be focused on better aligning systems and processes to ensure growth opportunities for the rate base within the Shire are maximised.</p>

4.3.2 Provide value money through the delivery of long term financial plans

Activities	Status	Comment on progress and outcomes
Provide value money through the delivery of long term financial plans	Completed	Council's Draft <i>Annual Budget 2015/16</i> and the year three review of its <i>Strategic Resource Plan 2013-2017</i> were adopted by Council in May 2015. These documents, including Council's <i>Long Term Financial Plan</i> and <i>Capital Improvement Plan</i> , will assist Council in providing financially sustainable service delivery for the 2015/16 financial year, as well as planning for the longer term.

4.3.3 Practising responsible grants management and how we access our grants

Activities	Status	Comment on progress and outcomes
Increase capacity to attract grants	Completed	Executive and senior management have met with Regional Development Victoria representatives to discuss the State Government priorities and assessment criteria. Officers attended the Federal Government's National Stronger Regions Fund (NSRF) information session to ensure greater awareness of Federal priorities.

4.3.4 Promoting an equitable rating strategy for all ratepayers

Activities	Status	Comment on progress and outcomes
Complete and implement the review of the <i>Rating Strategy</i>	Completed	Council's <i>Rating Strategy</i> was adopted at the March 2015 Ordinary Meeting of Council following extensive community consultation and consideration of legislative requirements and government guidelines. The new differential rating categories outlined in the strategy took effect from 1 July 2015.

Council Plan activities

4.4 Staff – We will have engaged and professional staff

4.4.1 Ensure a healthy and safe workplace for all staff

Activities	Status	Comment on progress and outcomes
Ensure a healthy and safe workplace for all staff	Completed	<p>Council's policy framework for the year continued the drive for improvement with review of four organisational policies in <i>Health and Wellbeing, Consumption of Alcohol and Drugs, Working in UV/Extreme Heat, Occupational Health and Safety</i>.</p> <p>In addition the Council's <i>Business Continuity Plan</i> was developed and approved. A desk top test was conducted in the final quarter demonstrating Council's improved capacity to respond in the event of a business interruption.</p> <p>Council's new <i>Enterprise Agreement</i> was also finalised and certified during the year.</p>

4.4.2 Provide staff training and professional development opportunities

Activities	Status	Comment on progress and outcomes
Develop and implement a training register	Completed	A centralised training register was established to better capture and record all training undertaken by staff.
Provide staff training and professional development opportunities	Completed	<p>The provision and coordination of staff training and professional development opportunities continued to improve in this financial year. A training register was established which has enabled better tracking and reporting of all relevant development opportunities.</p> <p>The North East Regional Development Scheme (NERDS) partnership between Councils in has strengthened during the year resulting in council utilising and accessing a range of cost effective and relevant programs, both on-line and face to face.</p> <p>A highlight of Council's commitment to leadership development was the participation of a Council team in the Local Government Management Australia (LGMA) Challenge. The team won the Victorian final (over 27 other teams) and performed credibly in the Australasian finals.</p> <p>The year saw 793 staff participate in 79 different training events totalling the equivalent of 453 training days; and 294 staff enrol in 8 different online learning programs.</p>

4.4.3 Provide workforce development and succession planning opportunities

Activities	Status	Comment on progress and outcomes
Provide workforce development and succession planning opportunities	Progress Delayed	The rotation program was deferred and will be incorporated into the review of customer service delivery during 2015/16.

Council Plan activities

The following statement provides the results of the prescribed performance indicators and measures including explanation of material variations.

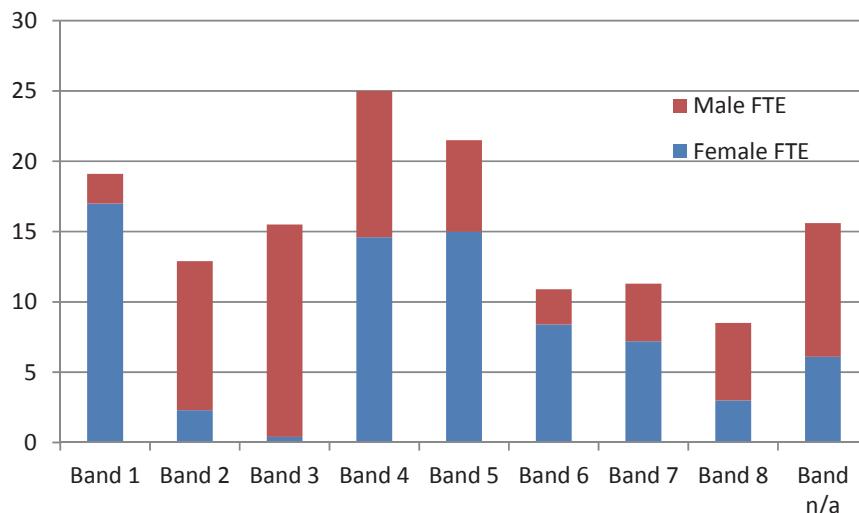
Service Performance Indicators	Results	
Service/indicator/measure	2015	Material Variations
Governance		
Transparency		
Council decisions made at meetings closed to the public [Number of Council resolutions made at ordinary or special meetings of Council, or at meetings of a special committee consisting only of Councillors, closed to the public / Number of Council resolutions made at ordinary or special meetings of Council or at meetings of a special committee consisting only of Councillors] x100	8.96%	No material variations for 2014/15. Trend analysis to be provided from 2015/16 onwards.
Consultation and engagement		
Satisfaction with community consultation and engagement Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement	50.00	No material variations for 2014/15. Trend analysis to be provided from 2015/16 onwards.
Attendance		
Councillor attendance at council meetings [The sum of the number of Councillors who attended each ordinary and special Council meeting / (Number of ordinary and special Council meetings) × (Number of Councillors elected at the last Council general election)] x100	92.86%	No material variations for 2014/15. Trend analysis to be provided from 2015/16 onwards.
Service cost		
Cost of governance [Direct cost of the governance service / Number of Councillors elected at the last Council general election]	\$20,421.43	No material variations for 2014/15. Trend analysis to be provided from 2015/16 onwards.
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]	47.00	This result is below the small rural Councils average for 2014/15 and may reflect a response to the difficult decisions made by Council with regard to its infrastructure renewal challenges.

Corporate Development – Our Organisation

WORKFORCE PROFILE

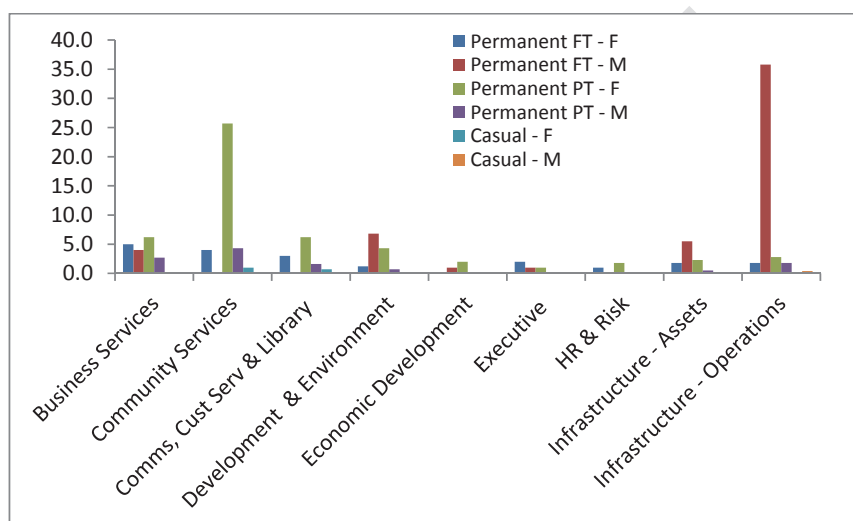
A summary of the number of full time equivalent (FTE) staff categorised by employment classification and gender is set out below.

Employment Classification	Female FTE	Male FTE	Total FTE
Band 1	17.0	2.1	19.1
Band 2	2.3	10.6	12.9
Band 3	0.4	15.1	15.5
Band 4	14.6	10.4	25.0
Band 5	15.0	6.5	21.5
Band 6	8.4	2.5	10.9
Band 7	7.2	4.1	11.3
Band 8	3.0	5.5	8.5
Band not applicable	6.1	9.5	15.6
Total	74.0	66.2	140.2



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

Employment Type / Gender	Bus Serv FTE	Comm Serv FTE	Comms, Cust & Library FTE	Devt & Enviro FTE	Eco Dev FTE	Exec FTE	HR & Risk FTE	Infra Assets FTE	Infra Ops FTE	Total FTE
Permanent FT - F	5.0	4.0	3.0	1.2	0.0	2.0	1.0	1.8	1.8	19.8
Permanent FT - M	4.0	0.0	0.0	6.8	1.0	1.0	0.0	5.5	35.8	54.1
Permanent PT - F	6.2	25.7	6.2	4.3	2.0	1.0	1.8	2.3	2.8	52.3
Permanent PT - M	2.7	4.3	1.6	0.7	0.0	0.0	0.0	0.5	1.8	11.6
Casual - F	0.0	1.0	0.7	0.2	0.0	0.0	0.0	0.0	0.0	1.9
Casual - M	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.4	0.5
Total	17.9	35	11.6	13.2	3.0	4.0	2.8	10.1	42.6	140.2



Corporate Development – Our Organisation

Health and safety of our people

Our staff are our most valuable asset because they are essential to the delivery of our services and our achievements.

Health and wellbeing

Council updated the following policies in relation to staff health and well-being; Health and Wellbeing, Occupational Health and Safety, and Ultra-Violet Radiation & Working in Seasonal Heat.

Council continued to run a variety of Health and Wellbeing programs covering topics relating to physical and mental health from an organisational and personal perspective. These included encouraging exercise during breaks with “Walk the Block”, participation in a corporate triathlon, driver safety awareness training, respectful relationships seminars, manual handling workshops, First Aid training and CPR updates. Other activities included the influenza immunisation program offered to all staff and regular healthy eating updates in newsletters. An employee run social club also supports healthy relationships at work.

Council remains a participant in the Local Government Employees Health Plan Scheme which enables Council staff to join a private health fund at competitive rates.

Occupational Health and Safety (OHS)

Council is committed to providing a safe and healthy work environment and ensuring the health, safety and wellbeing of all employees.

Council operates a Risk and Safety Committee made up of four Health and Safety Representatives and four Management Representatives who support and represent each workgroup across the organisation as well four staff with professional responsibilities in aspects of risk management. The Committee aims to ensure that all identified hazards and risks are acknowledged, communicated and resolved promptly.

The Emergency Management teams underwent training, evacuation management plans were updated, zone wardens were re-trained, and drills were run on a regular basis.

The time lost due to injury was low across the year, and was lower than for several reporting years.

Risk management

Council also undertook a range of activities to ensure that Council's exposure to risk is anticipated and managed appropriately. These included undergoing a range of audits and inspections, including an internal audit of Council's risk management framework. Council is implementing actions from these.

Council also adopted a new *Business Continuity Plan* to ensure Council is prepared in the event of any major business interruption.

Enterprise Bargaining Agreement (EBA)

In July 2014, an Enterprise Bargaining Committee comprising management representatives, nominated workplace delegates and union industrial officers was established to negotiate a new *Enterprise Agreement* for Council employees. As a result, a new *Enterprise Agreement* was successfully negotiated and approved by Fair Work Australia, with an operative date of 3 June 2015 for a period until 22 February 2018.

Training and development

Council continued as an active participant in a North East Regional Development Scheme (NERDS) involving 10 Councils, which focuses on reducing costs and travelling time for the associated rural councils by working collaboratively to run local and online training.

The online learning program 'Learning Seat' continues to assist Council to access professional development opportunities and to address training needs.

In 2014-15 we again increased participation and training delivery. Over the whole year 444 staff training days were delivered. The delivery of onsite training included (in addition to those listed under Health and Wellbeing and OH&S):

- Customer Service
- High Performance Leadership coaching
- Fresh Green Clean Workshop
- Personal Support/Professional Development
- Innovation as Leadership in Local Government
- MAV Insurance & Risk
- Local Issues, Collective Solutions
- Social Media for Emergency Situations
- Engaging Citizens
- Procurement and RFQ's/Tender Search
- Productivity & Email/Outlook Workshop
- Environmental Management in Infrastructure training
- Electronic Records Management Training (TRIM)
- Defibrillator Training
- MAV Step Workforce Development Workshop
- Changing Gears Mature Age workshop

Training opportunities were also made available offsite and through externally arranged workshops including:

- Biodiversity Assessment
- Land Law, Roads, Streets, Lanes
- Good Decision Making
- Learning & Managing Change in Public Sector
- Creating Accessible Documents
- Environmental Land Law
- National Construction Code
- Local Government Management Association Challenge
- Emerging leaders workshop
- Working in Local Government
- Annual Report Preparation and the Performance Reporting Framework

Council also continued an informal program of 'Learning Lunchtimes' where staff volunteer and share their knowledge on topics as diverse as using information management systems, environmental responsibilities, preventing sexual harassment and social media skills.

Staff Satisfaction Survey

The Staff Satisfaction Survey was conducted in October 2013. The results showed a small increase in satisfaction levels from a low base following a survey conducted in 2011, which at the time reflected uncertainty within the organisation with respect to the outcomes of the Services Review underway at that time. The 2013 survey indicated improved results around staff engagement, having clear direction, understanding the vision, and in areas of planning and leadership. An updated Staff Satisfaction Survey is scheduled to be conducted in the 2015-16 financial year to measure how Council has continued to progress its staff satisfaction objectives.

Awards/recognitions

Activities to recognise staff excellence and effort included:

- Regular peer-nominated Organisational Development recognition awards (OD Fellow award) for employees, and
- Delivery of the annual awards scheme to recognise services delivered in line with organisational values. The presentation was held at the staff Christmas party and awards were presented to staff by the Mayor and Chief Executive Officer.

Equal employment opportunity

Murrindindi Shire Council is committed to the principles of equal opportunity and anti-discrimination in employment and the delivery of council services to the community.

Council believes that its employees are entitled to be treated on the basis of their true abilities and merit, and to work in an environment which is free of discrimination and harassment.

Council has an *Equal Employment Opportunity Policy* and supporting procedures which apply to council employees and contractors. Refresher training was conducted with a number of staff, and there has been a pleasing improvement in gender balance in the outdoor staff teams.

The Access and Inclusion Committee has operated well with great representation from Council and key partners in the community working to improve access to council services and access to employment. Some of the initiatives in access and EEO included a refresher training in EEO for all staff, coordinating a Helping Hands Workshop where staff, Councilors and community members built prosthetic hands and learnt about life with a disability, engaging a disabled staff member through an access grant, and employing a trainee to support youth access to employment.

Staff Code of Conduct

The Murrindindi Shire Council *Code of Conduct* remains a core document about the way in which we behave in our working relationships with each other and with the wider community.

The *Code of Conduct* establishes a shared understanding of how we can work well together to create an enjoyable, satisfying and productive workplace.

For the community our *Code of Conduct* establishes our commitment to carry out our duties and deliver our services responsively, impartially, professionally and with the highest level of integrity.

All new staff are made aware of their obligations under the code of conduct as part of their induction. In addition fraud prevention awareness refresher was issued on line to all staff.

Internal communications

Council's intranet, 'Murri', and its Daily Update front page have continued to develop as integral communication tools for our organisation.

These tools are a key component in the induction of new staff and provide a single focal point for access to a range of information.

The staff newsletter *The Murricle* is published fortnightly. Staff members are encouraged to contribute to the newsletter and articles can be on professional, informative or social topics.

A number of departments also produce service specific newsletters for their staff or customers.

- *Dindi Chat* for staff, volunteers and clients of the aged and disability services
- *YAK* for home care staff
- *Home Based Child Care News* for Family Day Care and In Home Child Care families and carers

Other forms of internal communication include general staff meetings, departmental meetings and depot meetings. As a result of a six month leadership program, managers have increased one on one and regular team meetings to assist in effective communication and engagement across the organisation.

Corporate Development – Our Council

Integrated Planning Framework

Murrindindi Shire Council has developed a corporate planning framework which identifies the relationship between the Council Plan, its various strategies and the individual departmental business plans and staff performance plans

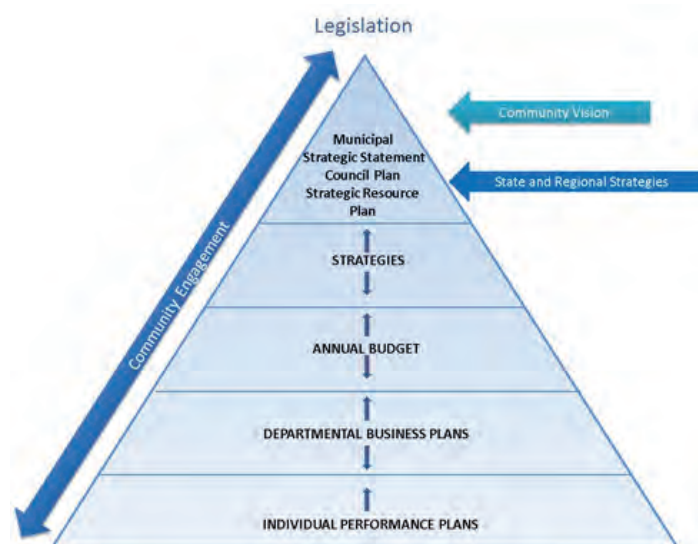


Figure 2: Integrated Planning Framework

The planning framework provides for the Council Plan Strategic Objectives to be linked to the implementation of adopted strategies that are funded and resourced through the *Annual Budget*.

The Council then measures and monitors its performance and reports both internally and to its community as required.

Council receives formal reports on a quarterly basis detailing progress against the *Council Plan*, the *Annual Budget* and the *Capital Works Program*.

The role of local government

Local Government is governed by Councillors who are democratically elected by the voters of the local communities. As such it is the 'grass roots' level of government.

Section 3D of the *Local Government Act 1989* states that the role of a council includes:

- Acting as a representative government by taking into account the diverse needs of the local community in decision making.
- Providing leadership by establishing strategic objectives and monitoring their achievement.
- Maintaining the viability of the Council by ensuring that resources are managed in a responsible and accountable manner.
- Advocating the interests of the local community to other communities and governments.
- Acting as a responsible partner in government by taking into account the needs of other communities.
- Fostering community cohesion and encouraging active participation in civic life.

Councillor Code of Conduct

All Councils in Victoria are required by the *Local Government Act 1989* (s76C) to develop and regularly review a *Councillor Code of Conduct*.

A *Councillor Code of Conduct* was adopted by Murrindindi Shire Councillors on 25 September 2013.

The *Councillor Code of Conduct* sets out the standards of behaviour and disclosure expected of Councillors, and identifies a process for resolving complaints.

Councillor support and remuneration

Section 74 of the *Local Government Act 1989* provides for the Governor in Council to set allowances for the Mayor and Councillors. Councils are categorised according to their size and revenue base and an allowance range payable to Councillors is set for each category. Murrindindi Shire Council is a level one council.

For 2014-2015 the allowance paid to the Mayor of Murrindindi Shire Council was \$56,402 plus an executive standard vehicle, and an amount equivalent to 9.5% superannuation.

The allowance paid to the Councillors was \$18,878 and an amount equivalent to 9.5% superannuation for the 2014-15 year.

All Councillors are provided with an I-Pad and mobile phone to assist them in fulfilling their duties as Councillor.

For further detail regarding allowances and expense entitlements please refer to the *Councillor Reimbursement Policy* adopted on 22 January 2014.

Council elections

All seven current Murrindindi Councillors were elected on 27 October 2012 for a four-year term.

Council's next general election will be held on 27 October 2016.

Crs Ruhr and Magner both resigned from Council in late in the 2014-15 year due to conflicting work commitments. By-elections to fill these positions were scheduled for 29 August 2015.

Each year the seven Councillors elect the Mayor and Deputy Mayor.

Council electoral structure

The Shire of Murrindindi is divided into seven single councillor wards. Ward boundaries are aligned to ensure an even spread of voters in each ward.



Council meetings

Council decisions are made by resolution of Council either at Ordinary Council Meetings or at Special Council Meetings.

Ordinary Meetings of Council are held on the fourth Wednesday of the month.

Council meetings are held in the Alexandra Council Chamber except for four meetings annually which are held in locations across the Shire. A schedule of council meetings is available at any Council office or on our web site. Community members are encouraged to attend and participate in Council meetings.

Councillors generally also meet on the first three Wednesdays of each month for briefing sessions. Briefing sessions give Councillors the opportunity to hear presentations by officers on upcoming items and to seek clarification on these and other issues that may appear on the agenda at future Council meetings.

A 'Public Participation' session is held at the beginning of each Council meeting to allow members of the public to address Council or have a question answered.

Agendas for Council meetings are made available no less than 48 hours prior to the scheduled meeting from a Council office or on our website.

Additional Special Meetings of Council may be called to consider specific issues. As well as the formal notice we make every effort to publicise these meetings through local media and on Council's website.

Council meetings are conducted in accordance with the procedures as detailed in Murrindindi Shire Council's *Governance Local Law 2, 2014* adopted by Council on 25 June 2014.

A meeting is held annually to elect the Mayor and Deputy Mayor, set allowances for the Mayor and Councillors, and nominate Council's representatives for a range of committees. This meeting was held on 29 October 2014.

	Ordinary Council Meetings		Special Meetings	
	Eligible to Attend	Attended	Eligible to Attend	Attended
Cr M Rae, Mayor	12	12	8	8
Cr J Walsh	12	11	8	7
Cr C Challen	12	12	8	8
Cr J Kennedy	12	12	8	7
Cr B Magner	12	11	8	8
Cr A Derwent	12	12	8	7
Cr C Ruhr	12	9	8	6

Special Committees of Council

In accordance with the *Local Government Act 1989* Council may establish Special Committees with delegated powers to inform and act on behalf of Council. Murrindindi Shire Council has 15 Section 86 Committees of Management.

Portfolios

Each Councillor, with the exception of the Mayor, is responsible for a specific 'portfolio' which focuses on a functional area of Council.

This allows each Councillor to maintain a close relationship with staff managing issues associated with their portfolio, and to report to Council meetings on points of interest that fall under that portfolio.

Councillor	Portfolio
Cr Margaret Rae	The Mayor does not hold a portfolio
Cr John Walsh	Land Use Planning
Cr Christine Challen	Economic Development
Cr John Kennedy	Community Services
Cr Bernie Magner	Corporate and Customer Services
Cr Andrew Derwent	Natural Environment and Climate Change
Cr Cris Ruhr	Infrastructure and Waste

Local Laws

Council's Local Laws are:

- *Governance Local Law 2, 2014*
- *Community Local Law 2012*

Local Laws are available for viewing at all Council offices and online at www.murrindindi.vic.gov.au

Council conducted a review of its *Governance Local Law* in 2014 and on 25 June 2014 adopted *Governance Local Law 2, 2014*.

Policy and strategy reviews

POLICIES

New Policies

There were four new policies adopted during the year.

Social Media Policy

As part of Council's rollout of social media, a policy has been prepared for Council's consideration that guides Council's staff and Councillors on the appropriate use of social media applications.

Borrowings Policy

Council's Audit Advisory Committee has requested a specific policy to address this matter to ensure Council's borrowings are appropriately managed.

Information Management Policy

The purpose of this policy is to provide a framework for staff with respect to the corporate direction and practices that ensures a complete and accurate record of corporate information is maintained.

Policy Development & Management Policy

This policy provides guidance to Council staff in the preparation, implementation, approval and review process for Council, Organisational, Divisional and Departmental policies.

POLICY REVIEWS

There were seven policies reviewed during the year.

Fraud Prevention and Control

As fraud constitutes a significant risk to any organisation it is appropriate that Council establishes a culture of ethical conduct and ensures that there are relevant measures in place for the prevention, detection and control of fraud.

Procurement Policy

Provides guidance to Council to allow consistency and control over procurement activities; demonstrate accountability to ratepayers, and guidance on ethical behaviour in public sector purchasing.

Arts and Culture Policy

The policy aims to provide Council with a framework to enable and support arts and cultural activities and guidance in relation to decision making, and determining directions that are appropriate in meeting the creative and cultural needs of Murrindindi Shire residents.

Councillor Portfolio Policy

This Policy articulates the objectives of creating the roles of a Portfolio Councillor as well as the roles and responsibilities of both Portfolio Councillors and the administration.

Community Grants Policy

The *Community Grants Policy* guides Council in determining appropriate activities to fund through the Community Grants Program.

Consumption of Alcohol & Drugs Policy

The purpose of this policy is to define Council's commitment to providing employees with a safe and healthy working environment by taking all reasonable steps to mitigate potential risks associated with the use of alcohol and drugs in the workplace.

Ultraviolet Radiation & Working in Seasonal Heat Policy

This policy reinforces Council's obligation to provide a safe and healthy working environment with adequate protection from the hazards that workers may be subject to when working in an outdoor environment. This includes minimising exposure to ultraviolet radiation and extreme heat.

STRATEGY

During 2014-2015 Council adopted seven strategies.

Waste & Resource Recovery Strategy Plan adopted 23 July 2014;
Rural Roadside Management Plan adopted 27 August 2014;
Municipal Emergency Management Plan adopted 22 October 2014;
Murrindindi 2030 Vision adopted 22 October 2014;
Yea Structure Plan adopted 26 November 2014;
Rating Strategy adopted 25 March 2015; and
Murrindindi Shire Council Advocacy Plan adopted 25 March 2015.

Auditing Audit Advisory Committee

The Audit Advisory Committee is an independent advisory committee to Council. The primary objective of the Audit Advisory Committee is to assist Council in the effective conduct of its responsibilities for internal and external financial reporting, management of risk, maintaining a reliable system of internal controls and facilitating the organisation's ethical development. It also serves as an effective conduit for communications between the external auditor, internal auditor, management and Council.

The Internal Audit Advisory Committee currently comprises the following members:

Ian McKaskill (Chair)
 Robert Richards
 Michele Sheward
 Cr Margaret Rae (non-voting)
 Cr Andrew Derwent
 Cr John Kennedy

The Chief Executive Officer and a representative of the Internal Auditor are also required to attend meetings in a non-voting capacity. A representative of the External Auditor is also required to attend where either the year-end financial statements or external audit reports are to be considered.

The Audit Committee met on four occasions during the 2014-2015 financial year, providing invaluable advice to Council on a number of important issues including reviews of Contract Management Framework, Payroll and Purchasing systems.

Recommendations from the audit program are prioritised and addressed as opportunities for improvement across the organisation.

Internal Audits

Murrindindi Shire Council's internal audit function was contracted to HLB Mann Judd from 1 December 2010 to 31 December 2014. During the 2014-15 financial year, a competitive tender was undertaken for the provision of internal audit services which resulted in Crowe Horwath being appointed as Council's new internal auditors from 1 January 2015 for a term of 4 years.

During 2014-15 Council's Internal Auditors conducted the following components of the audit program:

- Review of Risk Management Framework – presented September 2014
- Review of IT Governance – presented December 2014
- Review of Asset Management – presented December 2014
- Review of Risk Management & Governance – presented May 2015

External Audits

Council's external auditor is currently Johnsons MME, which assumed this role for the 2014-15 financial year, taking over from the Victorian Auditor General's Office. The main audit is conducted in August with interim audits conducted during the year.

Public Liability and Property Audits

Council achieved a grading of 72% in 2014-15 for the JMAPP Property Risk Audit, an improvement from 66% from the previously conducted audit.

Civic Mutual Plus, now known as MAV Insurance, Liability Mutual Insurance, conducted the Public and Professional Liability audit.

Privacy

Council is committed to the responsible collection, handling and protection of the personal privacy of residents, ratepayers and the community as a whole. Council has policies in place to ensure adherence with the *Privacy and Data Protection Act 2014* and will only collect, use or disclose information where it is necessary to perform Council functions or where required by law. Murrindindi Shire Council will take all reasonable steps to keep any information held about individuals secure.

Freedom of Information

The *Freedom of Information Act 1982* gives the community a legally enforceable right to information held by Council. Applications under the *Freedom of Information Act 1982* must be made in writing and a fee of \$27.20 (as of 1 July 2015) must be paid. Information regarding Council's FOI application process can be found on Council's website or available from any of the Council Offices. Community members are encouraged to contact Council's FOI Officer prior to lodging an application to receive advice regarding what is and isn't accessible.

Year	Number of applications
2010-2011	12
2011-2012	16
2012-2013	9
2013-2014	9
2014-2015	28

Freedom of Information	2013-2014
Access granted in full	Nil
Access granted in part	10
Access denied in full	Nil
Withdrawn	Nil
Not proceeded with	Nil
Act does not apply	Nil
Not processed	6
No documents	1
Outside the Act	Nil
Not yet finalised	11
Granted in part - outstanding from previous year	Nil

Protected Disclosures

The *Protected Disclosure Act 2012* increased integrity reforms in Victoria, including the establishment of the Independent Broad-based Anti-corruption Commission (IBAC), a body established to promote integrity and accountability across the Victorian public sector, including local government.

Whistleblowers expose serious problems within the management and operations of a government organisation. The *Protected Disclosure Act 2012* enables people to make disclosures about improper conduct within the public sector without fear of reprisal. The Act aims to ensure openness and accountability by encouraging people to make disclosures and protecting them when they do.

Murrindindi Shire Council is committed to the aims and objectives of the *Protected Disclosure Act 2012* and has in place procedures to facilitate the making of disclosures. Council does not tolerate improper conduct by its employees, officers or members, nor the taking of reprisals against those who come forward to disclose such conduct.

Contact details for council's Protected Disclosure Coordinator/ Officer are:

- **Protected Disclosure Coordinator:** Michael Chesworth, General Manager Corporate and Community Services, Murrindindi Shire Council, PO Box 138, Alexandra 3714. Ph: 5772 0335
- **Protected Disclosure Officer:** Liz Peddie, Coordinator Human Resources, Murrindindi Shire Council, PO Box 138, Alexandra 3714. Ph: 5772 0396

Alternative Contacts

- Independent Broad-Based Anti-Corruption Commission (IBAC), \Address: IBAC, GP Box 24234, Melbourne Victoria 3000, Internet: www.ibac.vic.gov.au ; Phone: 1300 735 135

Note: All disclosures about Councillors should be directed to IBAC.

2014-15 Disclosures

Protected Disclosures Topic	Report 2014-2015
Number of disclosures made	Nil
Disclosures referred to Ombudsman for determination	Nil
Disclosures referred by Ombudsman	Nil
Disclosures referred to Ombudsman to investigate	Nil
Investigations taken over by the Ombudsman	Nil
Requests made under Section 74 during the year to Ombudsman to investigate disclosed matters	Nil
Disclosures the public body has declined to investigate	Nil
Disclosures that were substantiated on investigation	Nil
Recommendations by the Ombudsman under this Act that relate to Murrindindi Shire Council	Nil

Public documents

Section 11 of the *Local Government (General) Regulations 2004* requires Council to have certain documents available for public inspection. Documents and registers available for inspection in accordance with these Regulations and the *Local Government Act 1989* are:

- The Certified Voters' Roll for a Council election – for the period beginning on the certification date and ending 30 days after election day.
- Copies of campaign donation returns lodged by candidates in the last Council election.
- The Council's adopted *Code of Conduct 2013*.
- Register of interests.
- All Local Laws adopted by the Council.
- Copies of the *Council Plan, Strategic Resource Plan, Budget and Annual Report*.
- Details regarding differential rates declared by Council.
- Special Rate.
- Quality and Cost Standards.
- Details of current allowances fixed for the Mayor and Councillors under Section 74 or 74A of The Act.
- Details of senior officers' total salary packages:
 - The total annual remuneration for all senior officers in respect of the current financial year and the previous financial year, set out in a list that states:
 - ranges of remuneration of senior officers, where the difference between the lower amount and the higher amount in each range must not exceed \$10,000; and
 - the number of senior officers whose total annual remuneration falls within the ranges referred to in subparagraph (i).
- Details of overseas or interstate travel (with the exception of interstate travel by land for less than 3 days) undertaken in an official capacity by Councillors or any member of Council staff in the previous 12 months, including the names of the Councillors or members of Council staff and the date, destination, purpose and total cost of the overseas or interstate travel.
- Names of Councillors and Council Officers who submitted returns of interest during the financial year.
- Agendas for Council meetings – except parts of meetings closed to the public under section 89 of the Act.
- Minutes of Council meetings – except parts of the meetings closed to the public under section 89 of the Act.
- A list of all special committees established by the Council which were abolished or ceased to function during the financial year.
- Minutes of meetings of special committees established

under Section 86 of the Act and held in the previous 12 months except if the minutes relate to parts of meetings which have been closed to members of the public under Section 89 of the Act.

- A register of delegations kept under Sections 87, 88 and 98 of the Act, including the date on which the last review under Section 98(6) of the Act took place.
- Submissions received in accordance with Section 223 of the Act during the previous 12 months.
- Agreements to establish regional libraries under Section 196 of the Act.
- Details of all property, finance and operating leases involving land, buildings, plant, computer equipment or vehicles entered into by the Council as lessor or lessee, including the name of the other party to the lease and the terms and the value of the lease.
- A register of authorised officers appointed under Section 224 of the Act.
- A list of donations and grants made by Council during the financial year.
- A list of organisations of which Council was a member during the financial year.
- A list of contracts valued at \$100,000 (or such higher amount as is fixed from time to time under Section 186(1) of the Act) or more –
 - (i) which the Council entered into during the financial year without first engaging in a competitive process; and
 - (ii) which are not contracts referred to in section 186(5) of the Act.
- Council's current *Procurement Policy*
- Written record of "Assembly of Councillors" for a period of 12 months after the date of the assembly.

Cemetery management

Murrindindi Shire Council as Trustee for the Yea Cemetery Trust administers the pioneer and new cemeteries in Yea.

Activities completed with regard to the Yea cemeteries in 2014–2015 included:

- Review of the cemetery fee structure
- Completed Grave Safe Training

Looking forward

- Finalisation of a Master Plan for the Cemetery Site
- Continue the development of the cemetery grounds
- Seek funding for development of a *Conservation Management Plan* for the old cemetery.

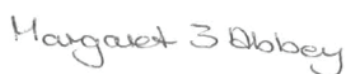
Governance & Management Checklist

The following are the results of Council's assessments against the prescribed governance and management checklist.

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 adopted: 24/09/2012
2. Community Engagement Guidelines (guidelines to assist staff to determine when and how to engage with the community)	Current guidelines adopted: 24/09/2012
3. Strategic Resource Plan (plan under section 126 of the Act outlining the financial and non-financial resources required for at least the next 4 financial years)	Adopted in accordance with s126 of the Act: 27/05/2015
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 s130 of the Act: 27/05/2015
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)	Council maintains a large number of different asset management plans broken down into the following categories - Roads, Paths, Kerb & Channel, Bridges, Urban Drainage, Community Buildings, Plant & Equipment, Corporate Buildings
6. Rating Strategy (strategy setting out the rating structure of Council to levy rates and charges)	Current strategy adopted: 25/03/2015
7. Risk Policy (policy outlining Council's commitment and approach to minimising the risks to Council's operations)	Current policy adopted: 27/06/2012
8. Fraud Policy (policy outlining Council's commitment and approach to minimising the risk of fraud)	Current policy adopted: 24/09/2014
9. Municipal Emergency Management Plan (plan under section 20 of the <i>Emergency Management Act 1986</i> for emergency prevention, response and recovery)	Adopted in accordance with s20 of the Act: 17/12/2014
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)	Current policy adopted in accordance with s186A of the Act: 17/12/2014
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)	Current plan adopted: 30/04/2015
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)	Current plan adopted: 30/06/2015
13. Risk Management Framework (framework outlining Council's approach to managing risks to the Council's operations)	Current framework adopted: 30/06/2014

Governance and Management Items	Assessment
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 enacted in accordance with s139 of the Act that meet quarterly to review Council's financial, risk and corporate affairs
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)	Current independent auditor engaged as of 1 January 2015, replacing previous contractor whose four year term ended at 31 December 2014
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)	Current framework enacted as of 01/07/2014
17. Council Plan Reporting (report reviewing the performance of the Council against the <i>Council Plan</i> , including the results in relation to the strategic indicators, for the first six months of the financial year)	Council reports its performance against the <i>Council Plan</i> on a quarterly basis at the November, February, April and August meetings
18. Financial Reporting (quarterly statements to Council under section 138 of the Act comparing budgeted revenue and expenditure with actual revenue and expenditure)	Council reports its financial performance against the budget on a quarterly basis at the November, February, April and September meetings
19. Risk Reporting (six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies)	Reported to Council in December 2014
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)	Council reports its performance against key indicators of both financial and non-financial performance on a quarterly basis at the November, February, April and August meetings
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)	<i>Annual Report</i> adopted in accordance with the Act: 25/09/2014
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)	Current Code adopted: 25/09/2013
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)	Reviewed in accordance with s98(6) of the Act: 11/06/2015
24. Meeting Procedures (a local law governing the conduct of meetings of Council and special committees)	Current Local Law adopted: 25/06/2014

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



Margaret Abbey
Chief Executive Officer
Dated: 23 September 2015



Margaret Rae
Mayor
Dated: 23 September 2015

Donations and Grants provided by Council 2014-2015

RECEIVED BY	AMOUNT
Alexandra Community Leisure Centre	\$14,000.00
Alexandra Events Cooperation Ltd	\$3,000.00
Alexandra Golf Club	\$5,000.00
Alexandra Visitor Information Centre	\$3,575.00
Alexandra Pastoral & Agricultural Association	\$400.00
Alexandra Pre School	\$1,246.00
Alexandra Race Club	\$500.00
State Emergency Services Alexandra	\$19,280.00
State Emergency Services Kinglake	\$19,280.00
State Emergency Services Marysville	\$19,280.00
Buxton Primary School	\$1,828.00
Buxton Recreation Reserve	\$3,740.00
Canoeing Victoria	\$2,000.00
Eildon Community Leisure Centre	\$1,000.00
Eildon Information Centre	\$1,090.50
Eildon Pre School	\$4,586.00
Eildon Resource Centre	\$250.00
Glenburn Hall & Progress Association	\$325.00
Grow Food Network	\$2,500.00
Kinglake Ranges Neighbourhood House	\$450.00
Kinglake Senior Citizens	\$2,656.00
Lions Club of Eildon	\$3,311.00
Lions Club of Marysville	\$750.00
Marysville Information Centre	\$3,500.00
Murrindindi Woodbourne Community Hub	\$250.00
Murrindindi Men's Shed Cluster	\$5,000.00
Rotary Club Alexandra	\$2,500.00
Rotary Club of Kinglake	\$2,000.00
Rotary Club Yea	\$2,450.00
Strath Creek Reserve and Hall	\$375.00
Triangle Arts Group	\$2,000.00
Yea Art Carnivale	\$3,800.00
Yea Centenary Show	\$1,250.00
Yea Information Centre	\$5,320.00
TOTAL	<u>\$138,492.50</u>

Organisation memberships for 2014-2015

ORGANISATION	MEMBERSHIP FEE
Local Government Professionals	\$1,109.09
North East Regional Development Scheme - E Learning	\$2,500.00
Australian Local Government Job Directory	\$695.00
Municipal Association Of Victoria	\$24,501.82
Victorian Employers Chamber of Commerce	\$6,000.00
Timber Towns Victoria	\$3,000.00
Public Library Victoria Network Inc	\$517.00
Family Day Care Victoria	\$275.00
Civil Contractors Federation	\$604.55
Children's Book Council	\$80.00
Victorian Local Governance Association	\$4,300.00
Goulburn Valley Regional Waste Management Group	\$4,195.00
SAI Global	\$423.64
Meals Victoria	\$80.00
Victorian Maternal & Child Health Coordinators Group	\$50.00
National In-Home Childcare Association	\$200.00
National Timber Councils Association	\$2,500.00
Play Australia	\$312.00
TOTAL	<u>\$51,343.10</u>

Capital works summary 2014-2015

CAPITAL WORKS UNDERTAKEN AND COMPLETED DURING 2014/2015

Description of works	Works in progress	Total value of works	Total value of works completed
	01 July 2014 \$	2014-2015 \$	30 June 2015 \$
BUILDINGS & STRUCTURES			
Alexandra Landfill - Fencing	-	12,690	12,690
Alexandra Landfill - Road Works	-	5,311	5,311
Alexandra Senior Citizens	-	51,965	51,965
Alexandra Shire Office	-	87,473	87,473
Webster Street Office	-	2,850	2,850
Kinglake Office	-	2,885	2,885
Marysville Caravan Park	-	9,493	9,493
Playgrounds	-	5,500	5,500
Public Conveniences	-	7,411	7,411
Resource Recovery Centres	-	33,410	33,410
Rotary Park Alexandra - BBQ	-	11,022	11,022
RV Dump Sites	739	30,256	30,995
UGFM Building	-	7,380	7,380
Various Buildings Access Compliance	803	3,746	4,549
Y Water Centre	1,648,738	268,323	1,917,061
Yea Caravan Park	-	16,294	16,294
Yea Pre School	-	2,200	2,200
Yea Shire Hall	-	2,431	2,431
Total Buildings & Structures	1,650,280	560,640	2,210,920
PLANT AND MACHINERY			
Major Plant	-	475,999	475,999
Motor Vehicles & Minor Plant	-	373,564	373,564
Total Plant & Equipment	-	849,563	849,563
ROADS			
Gravel Roads - Resheeting	-	776,563	776,563
Sealed Road - Renewal & Major	-	208,396	208,396
Sealed Roads - Reseals	-	44,789	44,789
Green Street	206,058	33,188	239,246
Kerb Renewal	-	31,907	31,907
Road Safety	156,995	25,795	182,790
Total Road and Paths	363,053	1,120,638	1,483,690

CAPITAL WORKS UNDERTAKEN AND COMPLETED DURING 2014/2015

Description of works	Works in progress	Total value of works	Total value of works completed
	01 July 2014 \$	2014-2015 \$	30 June 2015 \$
BRIDGES			
Taggerty Walking Trail	-	124,352	124,352
Kangaroo Creek	-	33,033	33,033
Swamp Creek	-	39,172	39,172
Total Bridges	-	196,557	196,557
FOOTPATHS AND CYCLEWAYS			
Footpath Renewal		46,117	46,117
Footpaths - Missing Links		128,387	128,387
Paths - Upgrade		28,991	28,991
Total Footpaths and Cycleways	-	203,496	203,496
DRAINAGE			
Drainage Project LGIP		145,792	145,792
Drainage - Network Expansion		200,995	200,995
Drainage Upgrade- trouble spots		1,629	1,629
Drainage (New) Budget Purposes		8,216	8,216
Stormwater Quality Improvements		0	0
Marysville Drainage			0
Total Drainage	-	356,633	356,633
HERITAGE ASSETS			
Princess Alexandra Statue - Refurbishment		11,646	11,646
Total Heritage Assets	-	11,646	11,646
FURNITURE & EQUIPMENT			
Computer Equipment		34,147	34,147
Other		39,175	39,175
Total Furniture & Equipment	-	73,322	73,322
LIBRARY MATERIALS			
Bookstock		61,577	61,577
Audio Visual		22,444	22,444
Magazines		502	502
Total Library Materials	-	84,523	84,523

CAPITAL WORKS UNDERTAKEN AND COMPLETED DURING 2014/2015

Description of works	Works in progress	Total value of works	Total value of works completed
	01 July 2014 \$	2014-2015 \$	30 June 2015 \$
WORK IN PROGRESS			
Alexandra Swimming Pool		6,171	6,171
Eildon Swimming Pool		9,991	9,991
Eildon Township Revitalisation		65,731	65,731
Essential Safety Services System		14,215	14,215
Ghin Ghin Bridge		1,512,556	1,512,556
Ghin Ghin Road - Safety Works Black Spot		560	560
Homewood Bridge Renewal		1,371	1,371
Kinglake Ranges Art History Walk		55,083	55,083
Landfill Cell Constructions		13,374	13,374
Marysville Swimming Pool		86,015	86,015
Moores Bridge Renewal		4,800	4,800
Taggerty Walking Trail & Township Upgrade		279,286	279,286
Terrip Terrip Recreation Reserve		110,488	110,488
Yarck Rejuvenating Village Hub		1,779	1,779
Yea Civic Centre Precinct Project		36,295	36,295
Yea Netball Court		385	385
Yea Pioneer Reserve		2,036	2,036
Yea Swimming Pool		574,546	574,546
Total Works In Progress	-	2,774,682	2,774,682
Total value of Capital works 2014-2015	2,013,333	6,231,699	8,245,031

Local Government Indicators 2013-2014

The Victorian Government requires all Victorian councils to measure and annually report against seven Victorian Local Government Indicators.

Category	Description	2014-15	2013-14
Overall performance	Community satisfaction rating for overall performance generally of the Council	52	46
Advocacy	Community Satisfaction rating for Council's lobbying on behalf of the community	49	47
Community Consultation	Community satisfaction rating for Council's community consultation and engagement	50	48
All rates	Average rates and charges per assessment	\$1,775.17	\$1,650.84
Residential rates	Average residential rates and charges per assessment	\$1,593.56	\$1,505.09
Operating costs	Average operating expenditure per assessment	\$3,192.12	\$3,142.09
Capital expenditure	Average capital expenditure per assessment	\$655.83	\$895.89
Infrastructure	Renewal undertaken as a percentage of budget	65.46%	100.5%
	Total capital works completed	65.05%	82.8%
Debts	Average liabilities per assessment	\$294.33	\$389.91
Operating result	Operating result per assessment	\$521.77	\$137.92

National Competition Policy Compliance

Council continues to ensure compliance with the National Competition Policy in order to ensure the transparency of its decision making and as a good business practice.

Introduction to the Financials

Understanding the financial statements

The financial report of the Murrindindi Shire Council is a general purpose financial report that consists of an Income Statement, Balance Sheet, Statement of Changes in Equity and Cash Flow Statement together with notes accompanying these statements.

This general purpose financial report has been prepared to comply with the provisions of the *Local Government Act, 1989*, *Local Government (Finance and Reporting) Regulations 2014*, applicable *Australian Accounting Standards* and other mandatory professional reporting requirements.

Particular terms required by the Standards may not be familiar to some readers. Further, Council is a 'not for profit' organisation and some of the generally recognised terms used in private sector company reports are not appropriate for Council's reports.

Council is committed to accountability and transparency. It is in this context that the plain English guide has been developed to assist readers to understand and analyse the financial report.

What is contained in the Annual Financial Report?

Council's financial report has two sets of Statements:

1. Financial Statements
2. Performance Statement

Each of these statements is prepared by Council's employees, examined by the Council Audit Advisory Committee and by Council, and then are audited by the Victorian Auditor-General.

Comprehensive Income Statement

The Income Statement sets out the movement in relation to revenue, expenses and other adjustments from all activities and compares these figures to the previous financial year. It provides a view of Council's operating performance. The Income Statement requires revenues to be separately disclosed where the item is of such a size, nature and incidence, that its disclosure is relevant in explaining the performance of the Council.

The Balance Sheet

The Balance Sheet shows a snap shot of Council's financial position as at 30 June 2015. It shows the total of what is owned (assets) less what is owed (liabilities). The assets and liabilities are separated into current and non-current. Current means those assets or liabilities that fall due in the next 12 months. The 'bottom line' of this statement is net assets, which is the net worth of the Council. The change in net assets between the two years shows how the financial position has changed over the period. Net assets are made up of the total current and noncurrent assets less the current and noncurrent liabilities.

Statement of Changes in Equity

During the course of the year the value of Total Equity as set out in the Balance Sheet changes. This Statement shows the values of such changes and how these changes arose.

The main reasons for a change in equity stem from:

- the 'surplus or deficit' from operations, described in the Comprehensive Income Statement as the Comprehensive Result for the year
- the use of monies from Council's reserves
- a revaluation of the assets which takes place on a regular basis to ensure the most up-to-date value is included in Council's books. It also occurs when existing assets are taken up in the books for the first time.

Cash Flow Statement

The Cash Flow Statement summarises Council's cash payments and cash receipts for the year. This Statement is presented according to a very specific Accounting Standard and needs some care in analysis. The values may differ from those shown in the Comprehensive Income Statement because the Comprehensive Income Statement is prepared on an accrual accounting basis.

Cash in this Statement refers to bank deposits and other forms of highly liquid investments that can be readily converted to cash. Council's cash arises from, and is used in, three main areas.

1. Cash flows from operating activities:

- Receipts – all cash received into Council's bank account from ratepayers and others who owe money to Council. Receipts also include the interest earnings from Council's cash investments. It does not include the costs associated with the sale of assets.
- Payments – all cash paid by Council from its bank account to employees, creditors and other persons. It does not include the costs associated with the creation of assets.

2. Cash flows from investing activities:

- This section shows the cash invested in the creation or purchase of property, infrastructure, plant and equipment assets and the cash received from the sale of these assets.

3. Cash flows from financing activities:

- This is where the receipt and repayment of borrowed funds are recorded.

The bottom line of the Cash Flow Statement is the cash and cash equivalents at end of financial year. This shows the capacity of Council to meet its cash debts and other liabilities.

Notes to the Financial Statements

The Notes are a very important and informative section of the report. The *Australian Accounting Standards* are not prescriptive on some matters. Therefore, to enable the reader to understand the basis upon which the values shown in the Statements are established, it is necessary to provide details of Council's significant accounting policies.

Apart from the accounting policies, the Notes also give details behind many of the summary figures contained in the Statements. The Note numbers are shown beside the relevant items in the Comprehensive Income Statement, Balance Sheet and the Cash Flow Statement.

The Notes also include information that Council wishes to disclose but which cannot be incorporated into the Statements.

Other notes include:

- the cost of the various functions/activities of Council
- the breakdown of expenses, revenues, reserves and other assets
- contingent liabilities
- transactions with persons related to Council
- financial performance indicators (ratios)

The Notes should be read in conjunction with the other parts of the Financial Statements to get a clear picture of the accounts.

Performance Statement

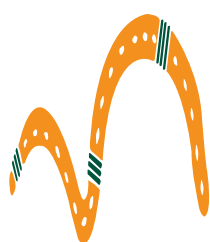
The Performance Statement shows the results that were achieved for the year for a number of performance indicators.

The document is then certified by the Principal Accounting Officer, the person responsible for the financial management of Council that, in her/his opinion, the Financial Statements have met all the statutory and professional reporting requirements.

The performance statement is also certified by the Chief Executive Officer and two Councillors on behalf of Council that, in their opinion, the Financial Statements are fair and not misleading or inaccurate.

Auditor-General's Report

The Independent Audit Report provides the reader with an external and independent opinion on the Financial Statements. It confirms that the Financial Report has been prepared in accordance with relevant legislation and professional standards and that it represents a fair picture of the financial affairs of the Council.



Murrindindi
Shire Council

**Financial Report
& Performance Statement
For the Year Ending 30 June 2015**

Murrindindi Shire Council
Financial Report
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**Comprehensive
Income Statement
For the Year Ended 30 June 2015**

	Note	2015 \$	2014 \$
Income			
Rates and charges	3	16,867,705	15,699,505
Statutory fees and fines	4	651,314	596,586
User fees	5	1,931,642	2,432,853
Grants -operating	6	9,185,266	5,859,279
Grants - capital	6	3,211,051	4,322,785
Contributions - monetary	7	90,330	286,464
Contributions - non monetary	7	1,393,540	555,508
Other income	9	1,958,554	1,351,420
Total income		35,289,402	31,104,400
Expenses			
Employee benefits	10	12,159,434	11,738,720
Materials and services	11	9,130,270	9,774,020
Bad and Doubtful Debts	12	504,820	217,703
Depreciation and amortisation	13	7,666,537	7,150,865
Borrowing Cost	14	287,148	329,899
Net gain(loss) on disposal of property, infrastructure, plant and equipment	8	301,972	320,114
Other expenses	15	281,342	265,146
Total expenses		30,331,523	29,796,467
Surplus (Deficit) for the financial year		4,957,879	1,307,933
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation increment (decrement)	28	9,094,497	13,251,651
Comprehensive result		14,052,376	14,559,584

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

Balance Sheet
As at 30 June 2015

	Note	2015	2014
		\$	\$
Assets			
Current assets			
Cash and cash equivalents	16	8,952,411	21,086,670
Trade and other receivables	17	2,330,680	4,501,267
Other financial assets	18	17,619,500	-
Inventories	19	53,121	268,984
Non-Current assets classified as held for sale	20	837,158	-
Other assets	21	312,019	247,876
Total current assets		<u>30,104,889</u>	<u>26,104,797</u>
Non-current assets			
Trade and other receivables	17	38,938	15,824
Property, infrastructure, plant and equipment	22	303,213,594	296,007,826
Intangible assets	23	259,471	-
Total non-current assets		<u>303,512,003</u>	<u>296,023,650</u>
Total assets		<u>333,616,892</u>	<u>322,128,447</u>
Liabilities			
Current liabilities			
Trade and other payables	24	2,824,160	2,577,147
Trust funds and deposits	25	835,466	3,052,846
Provisions	26	3,143,223	2,972,654
Interest-bearing loans and borrowings	27	768,570	900,774
Total current liabilities		<u>7,571,419</u>	<u>9,503,421</u>
Non-current liabilities			
Provisions	26	1,688,239	1,551,599
Interest-bearing loans and borrowings	27	2,028,151	2,796,720
Total non-current liabilities		<u>3,716,390</u>	<u>4,348,319</u>
Total liabilities		<u>11,287,809</u>	<u>13,851,740</u>
Net Assets		<u>322,329,083</u>	<u>308,276,707</u>
Equity			
Accumulated surplus		129,201,956	126,728,438
Reserves	28	193,127,127	181,548,269
Total Equity		<u>322,329,083</u>	<u>308,276,707</u>

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

**Statement of Changes in Equity
For the Year Ended 30 June 2015**

	Note	Total \$	Accumulated Surplus \$	Asset Revaluation Reserve \$	Other Reserves \$
2015					
Balance at beginning of the financial year		308,276,707	126,728,438	171,452,414	10,095,855
Surplus for the year		4,957,879	4,957,879	-	-
Net asset revaluation increment	28(a)	9,094,497	-	9,094,497	-
Transfers to other reserves	28(b)	-	(2,714,681)	-	2,714,681
Transfers from other reserves	28(b)	-	230,320	-	(230,320)
Balance at end of the financial year		322,329,083	129,201,956	180,546,911	12,580,216

		Total \$	Accumulated Surplus \$	Asset Revaluation Reserve \$	Other Reserves \$
2014					
Balance at beginning of the financial year		293,717,123	128,766,936	158,200,763	6,749,424
Surplus for the year		1,307,933	1,307,933	-	-
Net asset revaluation increment	28(a)	13,251,651	-	13,251,651	-
Transfers to other reserves	28(b)	-	(3,740,890)	-	3,740,890
Transfers from other reserves	28(b)	-	394,459	-	(394,459)
Balance at end of the financial year		308,276,707	126,728,438	171,452,414	10,095,855

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

Statement of Cash Flows
For the Year Ended 30 June 2015

	Note	2015 Inflows/ (Outflows) \$	2014 Inflows/ (Outflows) \$
Cash flows from operating activities			
Rates		16,735,812	15,572,251
Statutory fees and fines		652,809	596,586
User fees		2,431,742	3,317,895
Grants - operating		10,720,412	5,936,624
Grants - capital		3,220,172	4,636,372
Contributions - monetary		92,154	286,464
Interest received		756,188	680,718
Other Income		1,179,242	-
Net Fire Services Property Levy received (remitted)		(2,101,609)	2,194,692
Net GST refund		1,026,063	1,242,547
Net receipt/(repayment) of trust funds and deposits		(115,771)	119,852
Payments to suppliers (inclusive of GST)		(10,568,882)	(11,913,065)
Payments to employees (including redundancies)		(11,797,849)	(11,687,968)
Net cash provided by operating activities	29	<u>12,230,483</u>	<u>10,982,968</u>
Cash flows from investing activities			
Payments for property, plant and equipment, infrastructure		(6,064,864)	(8,419,629)
Proceeds from sale of property, plant and equipment, infrastructure		448,832	1,118,205
Payments for Investments		(17,619,500)	-
Net cash used in investing activities		<u>(23,235,532)</u>	<u>(7,301,424)</u>
Cash flows from financing activities			
Finance costs		(228,437)	(268,641)
Proceeds from interest bearing loans and borrowings		-	500,000
Repayment of interest bearing loans and borrowings		(900,773)	(860,756)
Net cash used in financing activities		<u>(1,129,210)</u>	<u>(629,397)</u>
Net increase (decrease) in cash and cash equivalents		(12,134,259)	3,052,147
Cash and cash equivalents at the beginning of the financial year		21,086,670	18,034,523
Cash and cash equivalents at the end of the financial year	16	<u>8,952,411</u>	<u>21,086,670</u>

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

Restrictions on cash assets	16
Financing arrangements	30

	Note	2015	2014
Property			
Land under roads			4,650
Total land		-	4,650
Buildings		1,414,155	2,625,508
Total buildings		1,414,155	2,625,508
Total property		1,414,155	2,630,158
Plant and equipment			
Heritage plant and equipment		11,646	14,627
Plant, machinery and equipment		849,563	721,357
Fixtures, fittings and furniture		73,322	216,908
Library books		84,523	74,876
Total plant and equipment		1,019,054	1,027,768
Infrastructure			
Roads		1,188,708	3,090,051
Bridges		1,715,284	1,105,824
Footpaths and cycleways		537,865	346,537
Drainage		356,633	295,364
Total infrastructure		3,798,490	4,837,776
Total capital works expenditure		6,231,699	8,495,702
Represented by:			
New asset expenditure		940,739	2,632,275
Asset renewal expenditure		3,951,615	4,524,498
Asset upgrade expenditure		1,339,345	1,338,929
Total capital works expenditure		6,231,699	8,495,702

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

Introduction

The Murrumbidgee Shire Council was established by an Order of the Governor in Council on 18 November 1994 and is a body corporate. The Council's main office is located at Perkins Street, Alexandria.

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.

Note 1 Significant accounting policies

(a) Basis of accounting

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

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

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

- the fair value of land, buildings, infrastructure, plant and equipment 1 (m)
- the determination of depreciation for buildings, infrastructure, plant and equipment 1 (l)
- the determination of employee provisions 1 (s)

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

(b) Changes in accounting policies

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

(c) Principles of Consolidation

Subsidiaries are all entities over which Council has control. Council controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Council. They are deconsolidated from the date that control ceases. For the current reporting period Council no controlled entities.

(d) Committees of Management

All Committees of Management controlled by Council that have material revenues, expenses, assets or liabilities, have been included in this financial report. Any transactions between these entities and Council have been eliminated in full.

(e) 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 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.

Note 1 Significant accounting policies (cont.)

Grants

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

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

Contributions

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

Sale of property, plant and equipment, infrastructure

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

Other Income

Interest and rent are recognised as it is earned. Other income is measured at the fair value of the consideration received and is recognised when Council gains control over the right to receive the income.

(f) 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.

(g) 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.

(h) 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.

(i) 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.

(j) Inventories

Inventories held for distribution are measured at cost adjusted when applicable for any loss of service potential. Other inventories are measured at the lower of cost and net realisable value. Costs are assigned on the basis of weighted average costs.

Note 1 Significant accounting policies (cont.)

(k) Non-current assets classified as held for sale

A non-current asset classified as held for sale 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 held for sale 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 is expected to be completed within 12 months from the date of classification.

(l) Depreciation and amortisation of property, plant and equipment, infrastructure, 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 infrastructure 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.

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

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

	Years
Property	
buildings	30 to 80
Plant and Equipment	
fixtures, fittings and furniture	4 to 20
computers and telecommunications	4 to 10
heritage and cultural	20 to 200
library materials	3 to 10
plant, machinery and equipment	3 to 15
Infrastructure	
bridges- concrete	80 to 100
bridges- timber	30 to 40
drainage	50 to 85
footpaths and cycleways	20 to 70
recreational, leisure and community facilities	30 to 80
road formations and earthworks	100 to 200
road pavements	20 to 40

(m) Recognition and measurement of property, plant and equipment, infrastructure assets

Acquisition

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

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.

Note 1 Significant accounting policies (cont.)

Recognition and measurement of assets (cont.)

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

	Threshold \$
Property	
Land	1
Land under roads	1
Land improvements	5,000
Buildings	5,000
Plant and Equipment	
fixtures, fittings and furniture	2,000
computers and telecommunications	2,000
heritage and cultural	1,000
library materials	1,000
plant, machinery and equipment	2,000
Infrastructure	
bridges	7,500
drainage	5,000
footpaths and cycleways	5,000
road formations and earthworks	5,000
road pavements	5,000

Revaluation

Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment, furniture and equipment, library books and heritage assets, are measured at their fair value, being the amount for which the assets could be exchanged between knowledgeable willing parties in an arms length transaction. At balance date, 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 in 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 3 to 5 years. The valuation is performed either by experienced council officers or an independent expert valuer.

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

Land under roads

Council recognises land under roads it controls at fair value.

(n) Repairs and maintenance

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

Note 1 Significant accounting policies (cont.)

(o) 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.

(p) Trust funds and deposits

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

(q) Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.
Borrowing costs include interest on bank overdrafts, interest on borrowings, and finance lease charges.

(r) Interest-bearing loans

Interest bearing liabilities are recorded initially at fair value, net of transaction costs.

Subsequent to initial recognition, interest bearing liabilities are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest bearing liability using the effective interest rate method.

(s) Employee costs

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

Wages and salaries and 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 representing 7 years service 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 settled within 12 months.
- nominal value - component that is expected to be settled within 12 months.

Classification of employee costs

Non-current liability - conditional LSL representing less than 7 years service 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.

Liabilities for wages and salaries and rostered days off are recognised and are measured as the amount unpaid at balance date and include appropriate oncosts.

Note 1 Significant accounting policies (cont.)

(t) Landfill rehabilitation provision

Council is obligated to restore the Alexandra landfill site 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.

(u) 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.

(v) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST. 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.

(w) Financial guarantees

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

(x) 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.

(y) Pending accounting standards

Certain new AAS's have been issued that are not mandatory for the 30 June 2015 reporting period. Council has assessed these pending standards and has identified that no material impact will flow from the application of these standards in future reporting periods.

(z) Rounding

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

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 \$500,000 where further explanation is warranted. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

The budget figures detailed below are those adopted by Council on 9th July 2014. The Budget was based on assumptions that were relevant at the time of adoption of the Budget. Council sets guidelines and parameters for revenue and expense targets in this budget in order to meet Council's planning and financial performance targets for both the short and long-term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

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

a) Income and Expenditure

	Budget 2015	Actual 2015	Variance 2015	Ref
Income				
Rates and charges	16,721,002	16,867,705	146,703	
Statutory fees and fines	662,266	651,314	(10,952)	
User fees	2,092,569	1,931,642	(160,927)	
Grants - operating	6,927,390	9,185,266	2,257,876	1
Grants - capital	3,354,297	3,211,051	(143,246)	
Contributions - monetary	83,660	90,330	6,670	
Contributions - non monetary	-	1,393,540	1,393,540	2
Other income	805,920	1,958,554	1,152,634	3
Total income	30,647,104	35,289,402	4,642,298	
Expenses				
Employee costs	12,246,040	12,159,434	86,606	
Materials and services	10,613,137	9,130,270	1,482,867	4
Bad and doubtful debts	-	504,820	(504,820)	5
Depreciation and amortisation	7,473,351	7,666,537	(193,186)	
Borrowing costs	310,464	287,148	23,316	
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	-	301,972	(301,972)	6
Other expenses	282,595	281,342	1,253	
Total expenses	30,925,587	30,331,523	594,064	
Surplus/(deficit) for the year	(278,483)	4,957,879	5,236,362	

Note 2 Budget comparison (Cont.)

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Grants - operating	The Commonwealth Government brought forward payment of approximately half of the 2015-16 Financial Assistance Grant, being \$2,158,655 paid in June 2015 which has contributed to the bulk of the favourable variance. Increased funding in Family Day Care & Home Care driven by increased level of service demand, together with new funding of \$60,000 for Municipal Emergency Resourcing makes up the remaining variance. Funding of \$125,000 for Advancing Country Towns has been carried forward into 2015-16 as programmed expenditure had been delayed.
2	Contributions - non monetary	Contributions - non monetary represents the recognition of assets gifted to Council by either new subdivisions or assets created by Community Projects on Council land. Council does not budget for these contributions due to the difficulty in estimating an item which is largely outside of Council control. In 2014-15 this included \$514,105 for Roads, \$233,252 for Drainage and \$24,180 for Paths related to new subdivisions in Kinglake, Buxton & Yea. Bridge projects at Yea Wetlands contributed \$278,325 and \$321,529 for the recognition of the Eildon Wall Museum. The balance of \$22,149 relates to the recognition of Land Under Roads related to these gifted assets.
3	Other income	Higher levels of cash held related to incomplete capitals works, carried forward grants funding and increasing reserve funds held has contributed to additional interest revenue on invested funds of \$399,512 above the original budget estimate. In addition in 2014-15 Council sold the Topsy Quarry operations (business not asset) for \$300,000 which also released liability funds of \$250,000 held no longer required for the rehabilitation of the quarry. Additional revenue from recoupment of debt collection legal fees and interest on rates, together with proceeds from the Depot Clearing Sale of minor items has contributed to the remainder of the favourable variance.
4	Materials and services	New & Gifted Assets operating and maintenance allocation of \$1.2m was not fully required with \$910,851 transferred to Reserve. With the sale of the Topsy Gully Quarry no crushing of materials was undertaken with a saving of \$150,268. Facilities Maintenance underspent by \$80,870, insurance savings on premium & claims excess \$67,604, General Valuation - Stage 2 deferred until 2015-16 \$73,991, together with numerous minor program savings contribute to this favourable variance.
5	Bad and doubtful debts	Council in 2014-15 processed a write off of debt from Department of Treasury & Finance of \$502,368 relating to disapproved works claimed for Natural Disaster Storm Damage Event 27 February 2012.
6	Net gain/(loss) on disposal of property, infrastructure, plant and equipment	Council receipts from sales of assets and write off of carrying value of these assets sales are both under budget due to two parcels of land in Marysville not achieving sale results and also the deferral of trade of several items of plant running over in to the 2015-16 financial year. Sales of plant and machinery in 2014-15 did however achieve greater value than budgeted by \$75,244. This however has been offset by write out of buildings at Yea Swimming Pool \$101,154 demolished as part of the Capital Upgrade and write out of the carrying value of the Ghin Ghin Bridge \$312,284 also demolished and to be replaced within an upgraded structure, with capital works flowing over both the 2014-15 and 2015-16 financial years.

Note 2 Budget comparison (cont)

b) Capital Works

	Budget 2015	Actual 2015	Variance 2015	Ref
Property				
Buildings	3,361,979	1,414,155	(1,947,824)	1
Total Buildings	<u>3,361,979</u>	<u>1,414,155</u>	<u>(1,947,824)</u>	
Total Property	<u>3,361,979</u>	<u>1,414,155</u>	<u>(1,947,824)</u>	
Plant and Equipment				
Heritage plant and equipment	5,000	11,646	6,646	2
Plant, machinery and equipment	1,257,746	849,563	(408,183)	3
Fixtures, fittings and furniture	217,371	73,322	(144,049)	4
Library books	89,310	84,523	(4,787)	
Total Plant and Equipment	<u>1,569,427</u>	<u>1,019,054</u>	<u>(550,373)</u>	
Infrastructure				
Roads	2,209,149	1,188,708	(1,020,441)	5
Bridges	1,794,358	1,715,284	(79,074)	
Footpaths and cycleways	594,993	537,865	(57,128)	
Drainage	50,000	356,633	306,633	6
Total Infrastructure	<u>4,648,500</u>	<u>3,798,490</u>	<u>(850,010)</u>	
Total Capital Works Expenditure	<u>9,579,906</u>	<u>6,231,699</u>	<u>(3,348,207)</u>	
Represented by:				
New asset expenditure	1,370,077	940,739	(429,338)	
Asset renewal expenditure	6,037,046	3,951,615	(2,085,431)	
Asset upgrade expenditure	2,172,783	1,339,345	(833,438)	
Total Capital Works Expenditure	<u>9,579,906</u>	<u>6,231,699</u>	<u>(3,348,207)</u>	

Note 2 Budget comparison (cont)

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Buildings	This major variance is heavily influenced by the deferral of Alexandra Landfill works of \$667,898 and uncompleted works at Reserve Recovery centres of \$133,591. Yea Civic Centre Precinct & Yarck Village late grant funding approval has resulted in budget carry forward of \$355,705. Yea Swimming Pool \$465,455 and other Pool Seasonal upgrades of \$127,823 to be delivered in the 'off season' have run over year end with the balance of works to be completed in 2015-16. Alexandra Shire Office renewal of air-conditioning project is to be re-scoped with \$247,527 being carried forward into 2015-16. Public Convenience renewal underspend of \$67,589 together with various building upgrades \$235,666 have also been flagged to be carried forward. Y Water Centre expenditure of \$268,323 relates to works carried forward from 2013-14. New unbudgeted grant funding of \$85,106 was expended on the Terrip Terrip tennis courts project.
2	Heritage Plant & Equipment	Princess Alexandra Statue refurbishment required additional expenditure to address cracking in the pediment structure and damage to the statue.
3	Plant, machinery and equipment	Plant, machinery & equipment favourable variance relates to the delay in acquiring some items of major plant prior to year end \$286,936 and deferment of changeover of several passenger vehicles pending adoption of revised fleet policy \$107,271. These amounts totalling \$394,207 have been carried forward into the 2015-16 Financial year.
4	Fixtures, fittings and furniture	GIS upgrade \$45,000 has been deferred until 2015-16 along with under spend on Information Technology \$77,025 pending outcomes of mobility and business continuity requirements. Document Management expenditure of \$39,175 was carried forward from 2013-14. Capital budgets of \$45,000 for Project Management Development and part Pools Capital equipment replacement \$15,000 were transferred to operating budgets, as works identified were not capital in nature.
5	Roads	Eildon Town Centre grant funded project underspend of \$326,269 and the Yarck Village Hub rejuvenation project \$18,221 are to be completed in 2015-16 due to the delay in funding approval. Vegetation Projects of \$126,000 will also be carried forward into the 2015-16 financial year for completion. Myers Creek Road upgrade \$92,141 was deferred due to revised scope of works and waiting on Vic Roads approval. Greens St Special Charge Scheme expenditure of \$33,188 was carried over from 2013-14. Underspends against the original budget occurred on Gravel Road Resheets \$54,458, Shoulder Resheeting Program \$50,000, Sealed Roads renewal & Major patching \$144,424, Sealed Roads - Reseals \$87,778 and Kerb & Channel renewal & upgrade \$134,693.
6	Drainage	Drainage expenditure in 2014-15 related to carry forward of projects from 2013-14 being Drainage Study Initiatives for works in Yea \$145,792 and Drainage Network expansion in Alexandra \$200,995. Drainage works of \$50,000 budgeted for 2014-15 were underspent by \$40,155 which is to be expended in 2015-16.

	2015	2014
	\$	\$

Note 3 Rates and charges

Council uses Capital Improved Value (CIV) as the basis of valuation of all properties within the municipal district. The CIV of a property is its total value of land plus buildings and improvements.

The valuation base used to calculate general rates for 2014-2015 was \$3,864 million (2013-2014 \$3,531 million). The 2014-2015 rate in the dollar for general rate was 0.003222 of the capital improved value of the property (2013-2014 - 0.003286).

Council has a differential rate for Rural 1 land of 75% of the general rate. Rural 1 land is classified as rateable land which is not less than 40 hectares in area. There is no rating differential for land classified as Rural 2 land. Rural 2 land is any rural land that does not meet the criteria for Rural 1 land and is between 4 and 40 hectares in size.

The 2014-2015 Municipal Charge was \$290.00 (2013-2014 \$274.00) per rateable assessment. In 2014-2015 the Garbage Service Charge was \$325.00 (2013-2014 \$306.00) and Recycling Charge \$79.50 (2013-2014 \$75.00).

Residential	5,383,542	5,077,221
Commercial	595,852	523,307
Rural 1	2,990,545	2,818,434
Rural 2	2,558,467	2,386,934
Municipal charge	2,662,369	2,505,869
Garbage charge	2,024,651	1,875,556
Recycling	490,017	454,215
Special rates and charges	102,728	-
Revenue in lieu of rates	59,534	57,969
	<u>16,867,705</u>	<u>15,699,505</u>

The date of the last general revaluation of land for rating purposes within the municipal district was 1 January 2014, and the valuation will first be applied to the rating period commencing 1 July 2014.

Note 4 Statutory fees and fines

Building	243,056	211,813
Environmental health and local laws	225,423	225,461
Planning and subdivisions	110,390	111,603
Infrastructure	54,562	29,409
Other	17,883	18,300
	<u>651,314</u>	<u>596,586</u>

Note 5 User fees

External works	-	46,350
Quarry product	290	373,484
Aged care	542,635	558,464
Valuation data	99,296	8,575
Saleyard fees	368,509	381,045
Recreation pools and leisure centres	97,262	101,130
Waste - transfer station & landfill fees	759,350	901,758
Other fees and charges	64,300	62,047
	<u>1,931,642</u>	<u>2,432,853</u>

	2015 \$	2014 \$
Note 6 Grants		
Grants were received in respect of the following :		
Summary of grants		
Commonwealth funded grants	8,226,146	3,910,325
State funded grants	4,170,171	6,271,739
Total	<u>12,396,317</u>	<u>10,182,064</u>
Operating Grants		
Recurrent -Commonwealth Government		
Governance	4,047,728	1,229,439
Community	934,756	750,551
Environment	2,451,472	785,582
Recurrent -State Government		
Community	1,378,575	1,325,515
Environment	-	13,754
Total Recurrent Operating Grants	<u>8,812,531</u>	<u>4,104,841</u>
Non-Recurrent -Commonwealth Government		
Environment	-	311,252
Non-Recurrent -State Government		
Governance	-	384,396
Community	136,640	236,307
Economy	10,000	416,300
Environment	226,095	406,183
Total non recurrent operating grants	<u>372,735</u>	<u>1,754,438</u>
Total Operating Grants	<u>9,185,266</u>	<u>5,859,279</u>
Capital Grants		
Recurrent-Commonwealth Government		
Environment	792,190	833,501
Total Recurrent capital grants	<u>792,190</u>	<u>833,501</u>
Non-recurrent-State Government		
Community	29,380	7,184
Environment	2,389,481	3,482,100
Total non-recurrent capital grants	<u>2,418,861</u>	<u>3,489,284</u>
Total capital grants	<u>3,211,051</u>	<u>4,322,785</u>

	2015	2014
	\$	\$
Note 6		
Grants (Cont.)		
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:		
Community	167,944	146,368
Economy	-	306,300
Environment	969,460	1,273,377
	<u>1,137,404</u>	<u>1,726,045</u>
Grants which were recognised as revenue in prior years and were expended during the current year in the manner specified by the grantor were:		
Community	191,985	295,580
Economy	145,460	123,653
Environment	1,498,140	1,258,504
	<u>1,835,585</u>	<u>1,677,737</u>
Net increase (decrease) in restricted assets resulting from grant revenues for the year:	<u>(698,181)</u>	<u>48,308</u>

Note 7		
Contributions		
Monetary - operating	49,336	215,000
Monetary - capital	40,994	71,464
Non-monetary - capital	1,393,540	555,508
Total Contributions	<u>1,483,870</u>	<u>841,972</u>

Contributions of non monetary assets were received in relation to the following asset classes

land under roads	22,149	-
buildings	321,529	-
bridges	278,325	22,500
drainage	233,252	220,904
footpaths and cycleways	24,180	43,660
roads	514,105	268,444
Total	<u>1,393,540</u>	<u>555,508</u>

Note 8 **Gain / (Loss) on disposal of property, plant and equipment and infrastructure**

Proceeds from sales	448,832	1,118,205
less: Carrying amount of assets sold	(750,804)	(1,438,319)
	<u>(301,972)</u>	<u>(320,114)</u>

Users of the financial report should refer to Note 22 for additional details.

	2015	2014
	\$	\$
Note 9 Other income		
Interest	689,798	604,436
Interest on rates	133,268	98,355
Rental	155,474	158,454
Reimbursements	306,459	370,013
Supervision and administration recoupment	9,275	9,949
Sale of quarry operations	550,000	-
Other	114,280	110,213
	<u>1,958,554</u>	<u>1,351,420</u>

Note 10 (a) Employee costs		
Wages and salaries	10,379,371	10,021,089
Casual Staff	491,803	482,466
Superannuation	1,031,100	952,122
Fringe benefits tax	92,658	116,898
Workcover	164,502	166,145
	<u>12,159,434</u>	<u>11,738,720</u>

(b) Superannuation

Council made contributions to the following funds:

Defined benefit fund

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	82,996	79,681
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Accumulation funds

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	627,814	639,134
Employer contributions - other funds	320,290	233,307

	<u>948,104</u>	<u>872,441</u>
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Employer contributions payable at reporting date.

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	16,878	15,608
Employer contributions - other funds	8,610	5,698

Murrumbidgee 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 Comprehensive Income Statement when they are made or due.

Accumulation

The Fund's accumulation categories, Vision My Super/Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2015, this was 9.5% required under Superannuation Guarantee legislation (for 2013/14, this was 9.25%)).

		2015	2014
		\$	\$
Note 10	Employee Benefits (Cont.)		
	Defined Benefit		
	Murrindindi Shire Council does not use defined benefit accounting for its defined benefit obligations under the Fund's Defined Benefit category. This is because the Fund's Defined Benefit category is a pooled multi-employer sponsored plan.		
	There is no proportional split of the defined benefit liabilities, assets or costs between the participating employers as the defined benefit obligation is a floating obligation between the participating employers and the only time that the aggregate obligation is allocated to specific employers is when a call is made. As a result, the level of participation of Murrindindi Shire Council in the Fund cannot be measured as a percentage compared with other participating employers. Therefore, the Actuary is unable to allocate benefit liabilities, assets and costs between employers for the purposes of AASB 119		
	The expected contributions to be paid to the defined benefit category of Vision Super for the year ending 30 June 2016 is \$94,628.		
	Enterprise bargaining agreement		
	Staff employed under Councils Enterprise Bargaining Agreement are entitled to additional superannuation depending on years of service as outlined below;		
	Years of service between 10- 15 1%		
	Years of service greater than 15 2%		
Note 11	Materials and services		
	Utilities	521,425	580,120
	Contractors	6,282,407	6,481,393
	Legal Expenses	298,240	281,385
	Insurance	402,159	482,164
	Materials	909,433	1,099,502
	Contributions	493,740	515,687
	Consultants	222,866	333,769
		<u>9,130,270</u>	<u>9,774,020</u>
Note 12	Bad and Doubtful Debts		
	Rate Debtors	2,452	3,556
	Other Debtors	502,368	214,147
		<u>504,820</u>	<u>217,703</u>

	2015	2014
	\$	\$
Note 13 Depreciation and amortisation		
<u>Property</u>		
Buildings	1,980,682	1,855,889
<u>Plant and Equipment</u>		
Plant, machinery and equipment	607,885	585,925
Fixtures, fittings and furniture	161,995	159,498
Heritage and cultural	4,790	2,084
Library materials	97,506	100,434
<u>Infrastructure</u>		
Bridges	601,035	545,774
Drainage	132,390	123,509
Footpath and Cycleways	255,753	240,944
Roads	3,806,461	3,536,808
<u>Intangible assets</u>		
Landfill Airspace	18,040	-
	<u>7,666,537</u>	<u>7,150,865</u>
Note 14 Borrowing cost		
Interest - borrowings	218,429	264,568
Interest - provision for landfill rehabilitation	68,719	65,331
	<u>287,148</u>	<u>329,899</u>
Note 15 Other expenses		
Auditors remuneration - auditing of the financial report	37,000	41,000
Auditors remuneration - internal audit	40,299	24,225
Councillors allowances	183,903	178,642
Other	20,140	21,279
	<u>281,342</u>	<u>265,146</u>
Note 16 Cash and cash equivalents		
Cash at Bank and on Hand	2,602,411	3,274,170
Term Deposits and at Call	6,350,000	17,812,500
	<u>8,952,411</u>	<u>21,086,670</u>
Councils cash and cash equivalents are subject to external restrictions that limit amounts available for discretionary use. These include:		
Trust funds and deposits (Note 25)	835,466	3,052,846
Bank Guarantee - Quarry	19,500	112,500
Statutory reserves (Note 28(b))	416,754	394,004
Grants received in advance	2,145,860	2,844,041
Total restricted cash and cash equivalents	<u>3,417,580</u>	<u>6,403,391</u>
Total unrestricted cash and cash equivalents	<u>5,534,831</u>	<u>14,683,279</u>
Intended allocations		
Although not externally restricted the followings amounts have been allocated for specific future purpose by Council:		
Cash held to fund carried forward capital works	3,615,624	2,502,549
Cash held to fund discretionary reserves (Note 28)	12,163,462	9,701,851
Portion of Long Service Leave Liability	292,549	136,796
Total Intended allocations	<u>16,071,635</u>	<u>12,341,196</u>

	2015	2014
	\$	\$
Term deposits with a maturity date of greater than 90 days are reported as other financial assets refer to note 18.		

	2015 \$	2014 \$
Note 17 Trade and other receivables		
Current		
Rates debtors	1,259,037	1,146,964
Provision for doubtful rate debts	(37,713)	(35,261)
Garbage and Recycling debtors	250,722	255,324
Other debtors	337,800	612,875
Provision for doubtful debts - other debtors	(86,635)	(86,635)
Government grants	310,995	2,326,406
Special rate scheme	9,024	5,264
Net GST receivable	287,450	276,330
	<u>2,330,680</u>	<u>4,501,267</u>
Non-current		
Special rate scheme	38,938	15,824
	<u>38,938</u>	<u>15,824</u>
Total trade and other receivables	<u>2,369,618</u>	<u>4,517,091</u>

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:

a) Ageing of Receivables

Current (not yet due)	310,322	1,179,400
Past due by up to 30 days	54,868	218,304
Past due between 31 and 180 days	85,930	22,616
Past due between 181 and 365 days	75,725	362,866
Past due by more than 1 year	35,315	1,069,460
Total trade & other receivables	<u>562,160</u>	<u>2,852,646</u>

b) Movement in provisions for doubtful debts

Balance at the beginning of the year	86,635	86,635
Balance at end of year	<u>86,635</u>	<u>86,635</u>

	2015	2014
	\$	\$
Note 17		
Trade and other receivables (Cont.)		
c) Ageing of individually impaired Receivables		
At balance date, other debtors representing financial assets with a nominal value of \$86,635 (2014: \$86,635) were impaired. The amount of the provision raised against these debtors was \$86,635 (2014: \$86,635). They individually have been impaired as a result of their doubtful collection. Many of the long outstanding past due amounts have been lodged with Council's debt collectors or are on payment arrangements.		
The ageing of receivables that have been individually determined as impaired at reporting date was:		
Current (not yet due)	-	-
Past due by up to 30 days	-	-
Past due between 31 and 180 days	-	-
Past due between 181 and 365 days	-	-
Past due by more than 1 year	86,635	86,635
Total trade & other receivables	<u>86,635</u>	<u>86,635</u>
Note 18		
Other financial assets		
Term Deposit	<u>17,619,500</u>	<u>-</u>
	<u>17,619,500</u>	<u>-</u>
Note 19		
Inventories		
Quarry Product	-	125,540
Other - Alexandra Depot	32,995	71,151
Other - Yea Depot	20,126	72,293
	<u>53,121</u>	<u>268,984</u>
Note 20		
Non-Current assets classified as held for sale		
Land	561,894	-
Buildings	275,264	-
	<u>837,158</u>	<u>-</u>
Note 21		
Other assets		
Accrued Income	177,377	111,994
Prepayments	134,642	135,882
	<u>312,019</u>	<u>247,876</u>

Note 22 Property, infrastructure, plant and equipment

Land and Buildings	Note	Land - specialised	Land - non specialised	Land Under Roads	Total Land	Buildings - specialised	Buildings - non specialised	Total Buildings	Work In Progress	Total Property
At fair value 1 July 2014		17,391,597	3,646,670	3,808,110	24,846,377	77,947,893	16,319,186	94,267,079	1,871,781	120,985,237
Accumulated depreciation at 1 July 2014		-	-	-	-	(29,639,812)	(3,603,386)	(33,243,198)	-	(33,243,198)
		<u>17,391,597</u>	<u>3,646,670</u>	<u>3,808,110</u>	<u>24,846,377</u>	<u>48,308,081</u>	<u>12,715,800</u>	<u>61,023,881</u>	<u>1,871,781</u>	<u>87,742,039</u>
Movements in fair value										
Acquisition of assets at fair value		-	-	22,149	22,149	882,168	-	882,168	853,516	1,757,833
Revaluation increments/decrements		4,379,372	549,347	-	4,928,719	350,507	(130,974)	219,533	-	5,148,252
Fair value of assets disposed		-	(106,606)	(1,091)	(107,697)	-	(372,360)	(372,360)	-	(480,057)
Impairment losses recognised in operating result		-	-	-	-	-	-	-	-	-
Transfers		-	(561,894)	-	(561,894)	(2,856,768)	3,880,798	1,024,030	(1,650,280)	(1,188,144)
		<u>4,379,372</u>	<u>(119,153)</u>	<u>21,058</u>	<u>4,281,277</u>	<u>(1,624,093)</u>	<u>3,377,464</u>	<u>1,753,371</u>	<u>(796,764)</u>	<u>5,237,884</u>
Movements in accumulated depreciation										
Depreciation and amortisation		-	-	-	-	(1,688,519)	(292,163)	(1,980,682)	-	(1,980,682)
Accumulated depreciation of disposals		-	-	-	-	-	271,206	271,206	-	271,206
Revaluation increments/decrements		-	-	-	-	1,413,877	(1,211,890)	201,987	-	201,987
Transfers		-	-	-	-	2,560,507	(2,487,032)	73,475	-	73,475
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,285,865</u>	<u>(3,719,879)</u>	<u>(1,434,014)</u>	<u>-</u>	<u>(1,434,014)</u>
At fair value 30 June 2015		21,770,969	3,527,517	3,829,168	29,127,654	76,323,800	19,696,650	96,020,450	1,075,017	126,223,121
Accumulated depreciation at 30 June 2015		-	-	-	-	(27,353,947)	(7,323,265)	(34,677,212)	-	(34,677,212)
		<u>21,770,969</u>	<u>3,527,517</u>	<u>3,829,168</u>	<u>29,127,654</u>	<u>48,969,853</u>	<u>12,373,385</u>	<u>61,343,238</u>	<u>1,075,017</u>	<u>91,545,909</u>

Note 22 Property, infrastructure plant and equipment (cont'd)

Plant and Equipment	Note	Heritage plant and equipment	Plant machinery and equipment	Fixtures fittings and furniture	Library books	Total plant and equipment
At fair value 1 July 2014		334,141	6,505,806	1,783,495	799,500	9,422,942
Accumulated depreciation at 1 July 2014		(12,523)	(3,090,072)	(920,965)	(351,605)	(4,375,165)
		321,618	3,415,734	862,530	447,895	5,047,777
Movements in fair value						
Acquisition of assets at fair value		11,646	849,563	73,322	84,523	1,019,054
Fair value of assets disposed		-	(869,778)	(19,030)	(92,087)	(980,895)
		11,646	(20,215)	54,292	(7,564)	38,159
Movements in accumulated depreciation						
Depreciation and amortisation		(4,790)	(607,885)	(161,995)	(97,506)	(872,176)
Accumulated depreciation of disposals		-	640,110	19,030	92,087	751,227
		(4,790)	32,225	(142,965)	(5,419)	(120,949)
At fair value 30 June 2015		345,787	6,485,591	1,837,787	791,936	9,461,101
Accumulated depreciation at 30 June 2015		(17,313)	(3,057,847)	(1,063,930)	(357,024)	(4,496,114)
		328,474	3,427,744	773,857	434,912	4,964,987

Note 22 Property, infrastructure plant and equipment (cont'd)

Infrastructure	Note	Roads	Bridges	Footpaths and cycleways	Drainage	Work In Progress	Total Infrastructure
At fair value 1 July 2014		217,939,456	53,355,109	8,591,990	10,591,304	637,370	291,115,229
Accumulated depreciation at 1 July 2014		(67,002,534)	(17,781,684)	(2,787,831)	(325,170)	-	(87,897,219)
		<u>150,936,922</u>	<u>35,573,425</u>	<u>5,804,159</u>	<u>10,266,134</u>	<u>637,370</u>	<u>203,218,010</u>
Movements in fair value							
Acquisition of assets at fair value		1,634,743	474,882	227,676	589,885	1,921,166	4,848,352
Revaluation increments/decrements		644,432	158,162	24,964	6,982,955	-	7,810,513
Fair value of assets disposed		-	(634,441)	-	-	-	(634,441)
Transfers		363,053	-	-	-	(363,053)	-
		<u>2,642,228</u>	<u>(1,397)</u>	<u>252,640</u>	<u>7,572,840</u>	<u>1,558,113</u>	<u>12,024,424</u>
Movements in accumulated depreciation							
Depreciation and amortisation		(3,806,461)	(601,035)	(255,753)	(132,390)	-	(4,795,639)
Accumulated depreciation of disposals		-	322,157	-	-	-	322,157
Revaluation increments/decrements		(211,872)	(54,158)	(9,103)	(3,791,121)	-	(4,066,254)
		<u>(4,018,333)</u>	<u>(333,036)</u>	<u>(264,856)</u>	<u>(3,923,511)</u>	<u>-</u>	<u>(8,539,736)</u>
At fair value 30 June 2015		220,581,684	53,353,712	8,844,630	18,164,144	2,195,483	303,139,653
Accumulated depreciation at 30 June 2015		(71,020,867)	(18,114,720)	(3,052,687)	(4,248,681)	-	(96,436,955)
		<u>149,560,817</u>	<u>35,238,992</u>	<u>5,791,943</u>	<u>13,915,463</u>	<u>2,195,483</u>	<u>206,702,698</u>

Note 22 Property, infrastructure, plant and equipment (cont'd)

Valuation of land and buildings

Valuation of land and buildings were undertaken at 30 June 2015 by a qualified independent valuers Marcus Hann valuer registration number 62901 and David Elford valuer registration number 62990. 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.

Land under roads is valued at fair value. Fair value is based on Council valuations at 30 June 2014 for land under roads in existence at that date and at the date acquired for subsequent acquisitions 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.

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 2015 are as follows:

	Level 1	Level 2	Level 3
Land	-	3,527,517	21,770,969
Land Under Roads	-	-	3,829,168
Buildings	-	12,373,385	48,969,853
Total	-	15,900,902	74,569,990

Specialised land including land under roads is valued using a market based direct comparison technique. Significant unobservable inputs include the extent and impact of restriction of use and the market cost of land per square metre. The extent and impact of restrictions on use varies and results in a reduction to surrounding land values between 50% and 95%. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values range between \$1 and \$252 per square metre.

Specialised buildings are valued using a depreciated replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs is calculated on a square metre basis and ranges from \$100 to \$15,000 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 8 years to 80 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.

	2015	2014
	\$	\$
Reconciliation of specialised land		
Land under roads	3,829,168	3,808,110
Active Recreation	6,116,569	4,416,875
Passive Recreation	8,486,396	6,934,914
Community centres and hall reserves	1,282,553	1,459,130
Waste Management	1,860,790	1,539,685
Other	4,024,071	4,040,893
Total specialised land	<u>25,600,137</u>	<u>21,199,707</u>

Note 22 Property, infrastructure, plant and equipment (cont'd)

Valuation of infrastructure

Valuation of infrastructure road assets have been determined by Council Officer John Canny A.A.I.Q.S. The valuation was first applied in the financial year ended 30 June 2013.

Valuation of footpaths and cycleways have been determined by Council Officer John Canny A.A.I.Q.S. The valuation was first applied in the financial year ended 30 June 2013.

Valuation of storm water drainage have been determined by Council Officer John Canny A.A.I.Q.S. The valuation was first applied in the financial year ended 30 June 2015.

Valuations of bridges have been independently determined by Pitt and Sherry Pty Ltd. The valuation was first applied in the financial year ended 30 June 2014.

Valuations have been indexed using Victorian road and bridge construction cost data provided by the Australian Bureau of Statistics

The valuations are 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 2015 are as follows:

Details of the Council's infrastructure and information about the fair value hierarchy as at 30 June 2015 are as follows:

	Level 1	Level 2	Level 3
Roads	-	-	149,560,817
Bridges	-	-	95,238,992
Footpaths and cycleway	-	-	5,791,943
Drainage	-	-	13,915,463
Total	<u>-</u>	<u>-</u>	<u>204,507,215</u>

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 20-200 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.

	2015	2014
	\$	\$
Note 23		
Intangible assets		
Gross Carrying amount		
Landfill air space 1/7/2014	-	-
Transfer from property, infrastructure plant equipment.	326,650	-
Landfill air space 30/6/2015	<u>326,650</u>	<u>-</u>
Accumulated amortisation		
Balance at 1 July 2014	-	-
Transfer from property, infrastructure plant equipment.	49,139	-
Amortisation Expense	18,040	-
Balance at 30 June 2015	<u>67,179</u>	<u>-</u>
Net book value at 30 June 2015	<u>259,471</u>	<u>-</u>
Note 24		
Trade and other payables		
Trade payables	2,402,954	2,212,492
Loan Interest	32,599	42,607
Accrued wages	357,927	234,832
Accrued expenses	30,680	87,216
	<u>2,824,160</u>	<u>2,577,147</u>
Note 25		
Trust funds and deposits		
Refundable building deposits	44,500	44,500
Refundable planning permit bonds	249,820	232,028
Retention contract deposits	291,128	165,630
Fire Service Property Levy	93,083	2,194,692
Other refundable deposits	156,935	415,996
	<u>835,466</u>	<u>3,052,846</u>

Purpose and nature of items

Refundable building deposits and planning permit bonds - These amounts have been received from individuals or companies to guarantee performance of obligations under various building permits, planning permits and contract agreements.

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

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

Note 26 Provisions

	Annual leave	Long service leave	Landfill restoration	Total
2015	\$	\$	\$	\$
Balance at beginning of the financial year	1,011,420	2,188,737	1,324,096	4,524,253
Additional provisions	774,438	307,205	68,719	1,150,362
Amounts used	(687,600)	(155,553)	-	(843,153)
Balance at the end of the financial year	1,098,258	2,340,389	1,392,815	4,831,462
2014				
Balance at beginning of the financial year	997,569	2,102,251	1,258,765	4,358,585
Additional provisions	742,946	273,080	65,331	1,081,357
Amounts used	(729,095)	(186,594)	-	(915,689)
Balance at the end of the financial year	1,011,420	2,188,737	1,324,096	4,524,253
				2015 \$
				2014 \$
(a) Employee benefits				
Current provision expected to be settled within 12 months				
Annual leave				726,760
Long service leave				123,640
				850,400
Current provision expected to be settled after 12 months				
Annual leave				371,498
Long service leave				1,921,325
				2,292,823
Total Current provision				3,143,223
Non-current				
Long service leave				295,424
				227,503
Aggregate carrying amount of employee benefits:				
Current				3,143,223
Non-current				295,424
				3,438,647
				2,972,654
				227,503
				3,200,157
The following assumptions were adopted in measuring the present value of employee benefits:	2015	2014		
Weighted average increase in employee costs	3.50%	4.00%		
Weighted average discount rates	2.53%	3.16%		
Weighted average settlement period	12 yrs	12 yrs		
(b) Provisions				
Non-current				
Landfill Restoration				1,392,815
				1,324,096
				1,392,815
				1,324,096
A provision has been recognised for the costs to be incurred for the restoration of the landfill site used for waste management. It is anticipated that the landfill will require restoration within 30 years. This value was recently reviewed as part of Council's Waste Strategy.				
Weighted average increase in costs	2.50%	2.50%		
Weighted average discount rates	5.19%	5.19%		
Weighted average settlement period	37 Yrs	37 Yrs		
Total Provisions				4,831,462
				4,524,253

	2015 \$	2014 \$
Note 27 Interest-bearing loans and borrowings		
Current		
Bank loans - secured	768,570	900,774
	<u>768,570</u>	<u>900,774</u>
Non-current		
Bank loans - secured	2,028,151	2,796,720
	<u>2,028,151</u>	<u>2,796,720</u>
Total	<u>2,796,721</u>	<u>3,697,494</u>
The maturity profile for Council's borrowings is:		
Not later than one year	768,570	900,774
Later than one year and not later than five years	1,361,125	1,809,856
Later than five years	667,026	986,864
	<u>2,796,721</u>	<u>3,697,494</u>

Bank Loans are secured by a charge over the general rates of the Council.

Aggregate carrying amount of interest-bearing loans and borrowings:

Current	768,570	900,774
Non-current	2,028,151	2,796,720
	<u>2,796,721</u>	<u>3,697,494</u>

Note 28	Reserves	2015	2014
		\$	\$
	Asset revaluation reserves (a)	180,546,911	171,452,414
	Other reserves (b)	12,580,216	10,095,855
		<u>193,127,127</u>	<u>181,548,269</u>

(a)		Balance at beginning of reporting period	Increment (decrement)	Balance at end of reporting period
		\$	\$	\$
	2015			
	Property			
	Land	16,449,435	4,928,718	21,378,153
	Land under roads	269,053	-	269,053
	Buildings	24,975,477	421,522	25,396,999
		<u>41,693,965</u>	<u>5,350,240</u>	<u>47,044,205</u>
	Infrastructure			
	Bridges	5,241,170	104,003	5,345,173
	Drainage	6,353,396	3,191,834	9,545,230
	Footpaths and Cycleways	4,342,056	15,860	4,357,916
	Roads	113,821,827	432,560	114,254,387
		<u>129,758,449</u>	<u>3,744,257</u>	<u>133,502,706</u>
	Total Asset revaluation reserves	<u>171,452,414</u>	<u>9,094,497</u>	<u>180,546,911</u>
	2014			
	Property			
	Land	15,165,409	1,284,026	16,449,435
	Land under roads	289,872	(20,819)	269,053
	Buildings	21,319,598	3,655,879	24,975,477
		<u>36,774,879</u>	<u>4,919,086</u>	<u>41,693,965</u>
	Infrastructure			
	Bridges	688,241	4,552,929	5,241,170
	Drainage	6,167,706	185,690	6,353,396
	Footpaths and Cycleways	4,212,367	129,689	4,342,056
	Roads	110,357,570	3,464,257	113,821,827
		<u>121,425,884</u>	<u>8,332,565</u>	<u>129,758,449</u>
	Total Asset revaluation reserves	<u>158,200,763</u>	<u>13,251,651</u>	<u>171,452,414</u>

Asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets, as described in accounting policy note 1 (m).

Note 28 Reserves (cont.)

	Balance at beginning of reporting period	Transfer from accumulated surplus	Transfer to accumulated surplus	Balance at end of reporting period
	\$	\$	\$	\$
(b) Other reserves				
2015				
Statutory Reserves				
Public Open Space Reserve	394,004	22,750	-	416,754
Discretionary Reserves				
Alexandra Community Leisure Centre	10,881	5,503	-	16,384
Coster Street Units Reserve	42,922	-	(42,922)	-
Defined Benefits Superannuation	300,000	300,000	-	600,000
Garbage Reserve	3,789,528	956,969	(68,512)	4,677,985
Gifted and Novated Assets Reserve	920,000	-	-	920,000
Infrastructure Contributions Parking	41,080	-	-	41,080
Infrastructure Balance MAP funding	434,022	-	-	434,022
Infrastructure Maintenance Reserve	684,016	266,060	-	950,076
Infrastructure Unexpended Capital Works Reserve	426,843	41,313	(5,000)	463,156
Marysville Caravan Park	113,489	53,549	(14,951)	152,087
New and Expanded Assets Reserve	2,610,467	910,851	-	3,521,318
Marysville Community Fund	63,531	-	-	63,531
Road Maintenance - Subdividers Contribution	16,044	-	-	16,044
Shaw Avenue Redevelopment	43,752	-	-	43,752
Yea Caravan Park	19,186	-	(19,186)	-
Yea Saleyards	186,090	157,686	(79,749)	264,027
Total Other reserves	10,095,855	2,714,681	(230,320)	12,580,216

Note 28 Reserves (cont.)

	Balance at beginning of reporting period	Transfer from accumulated surplus	Transfer to accumulated surplus	Balance at end of reporting period
	\$	\$	\$	\$
2014				
Statutory Reserves				
Public Open Space Reserve	379,004	15,000	-	394,004
Discretionary Reserves				
Alexandra Community Leisure Centre	8,379	2,502	-	10,881
Coster Street Units Reserve	37,116	5,806	-	42,922
Defined Benefits Superannuation	0	300,000	-	300,000
Garbage Reserve	3,093,242	988,684	(292,398)	3,789,528
Gifted and Novated Assets Reserve	920,000	-	-	920,000
Infrastructure Contributions Parking	65,480	-	(24,400)	41,080
Infrastructure Balance MAP funding	-	434,022	-	434,022
Infrastructure Maintenance Reserve	435,366	248,650	-	684,016
Infrastructure Unexpended Capital Works Reserve	-	426,843	-	426,843
Marysville Caravan Park	55,573	57,916	-	113,489
New and Expanded Assets Reserve	1,575,783	1,034,684	-	2,610,467
Marysville Community Fund	-	63,531	-	63,531
Road Maintenance - Subdividers Contribution	16,044	-	-	16,044
Shaw Avenue Redevelopment	43,752	-	-	43,752
Yea Caravan Park	18,674	512	-	19,186
Yea Saleyards	101,011	162,740	(77,661)	186,090
Total Other reserves	6,749,424	3,740,890	(394,459)	10,095,855

Alexandra Community Leisure Centre reserve is surplus operational funds set aside for future capital works.

Coster Street Units reserve represents funds set aside for future maintenance costs of these units.

Defined Benefits reserve has been created to meet any obligations for future funding calls from the Vision Super Defined Benefits Superannuation Fund

Garbage reserve represents funds set aside for rehabilitation of Landfill site. The reserve is to be utilised for future works to maximise life of the landfill site (eg. Cell construction, cell capping and Leachate management over the next 10 years)

Gifted and Novated reserve is funds set aside from State Government funding to new assets gifted after the 2009 bushfires.

Infrastructure Maintenance Reserve represents funds set aside for addressing council's long term infrastructure renewal obligations

Infrastructure Contributions reserve represents payments from Subdividers set aside for future infrastructure works relating to provision of car parking.

Infrastructure balance MAP represents the final payment received from State Government related to the Murrumbidgee Assistance Package.

Infrastructure Unexpended Capital works relate to carried forward items from 2014/15 that will be completed in early 2015/16.

Marysville Caravan Park reserve is surplus operational funds set aside for future capital works.

Marysville Community Fund are funds set aside from sale of Council assets in Marysville that are to be reinvested in infrastructure in Marysville.

New and Expanded assets reserve represents funds set aside for future capital works on assets gifted following the 2009 bushfires.

Public Open Space represents payments from Subdividers as specified under the Subdivisions Act, to fund future creation of areas of recreational land.

Road Maintenance reserve consists of contributions from Subdividers to future road maintenance cost impacted by respective subdivisions.

Shaw Avenue reserve represents funds set aside for redevelopment of remaining land.

Yea Caravan Park reserve is surplus operational funds set aside for future capital works.

Yea Saleyards reserve is surplus operational funds set aside for future capital works.

Notes to Financial Report
For the Year Ended 30 June 2015

	2015 \$	2014 \$
Note 29		
Reconciliation of cash flows from operating activities to surplus		
Surplus for the financial year	4,957,879	1,307,933
Depreciation and amortisation	7,666,537	7,150,865
Contributions - non-monetary	(1,393,540)	(555,508)
Finance Costs	228,437	268,641
Net Fire Services Property Levy received (remitted)	(2,101,609)	2,194,692
(Gain)/loss on disposal of property, plant and equipment, infrastructure	301,972	320,114
<i>Change in assets and liabilities:</i>		
(Increase)/Decrease in trade and other receivables	2,147,473	98,939
(Increase)/Decrease in inventories	215,863	(45,808)
(Increase)/Decrease in other current assets	(64,143)	(27,401)
Increase/(Decrease) in trade and other payables	80,176	(15,019)
Increase/(Decrease) in trust funds and deposits	(115,771)	119,852
Increase in provisions	307,209	165,668
Net cash provided by operating activities	<u>12,230,483</u>	<u>10,982,968</u>
Note 30		
Financing arrangements		
Secured bank loans at fixed interest rates:		
Facility available	2,796,721	3,697,494
Used facility	<u>2,796,721</u>	<u>3,697,494</u>
Unused facility	<u>-</u>	<u>-</u>
Secured bank overdraft subject to annual review and repayable at call:		
Facility available	400,000	400,000
Used facility	<u>-</u>	<u>-</u>
Unused facility	<u>400,000</u>	<u>400,000</u>

Should the bank overdraft be utilised the liability would be secured by a mortgage over the general rates of Council.

Note 31 Commitments

The Council has entered into the following commitments

	Not later than 1 year \$	Later than 1 year and not later than 2 years \$	Later than 2 years and not later than 5 years \$	Later than 5 years \$	Total \$
2015					
Operating					
Garbage & Recycling Collection	1,074,000	1,074,000	2,622,000	3,496,000	8,266,000
Cleaning Council Buildings and Streets	203,770	203,770	-	-	407,540
Document Output Devices	23,139	-	-	-	23,139
Valuation Services	156,922	18,306	356,988	-	532,216
Other	99,929	30,305	59,015	-	189,249
Total	1,557,760	1,326,381	3,038,003	3,496,000	9,418,144
Capital					
Buildings & improvements	766,720	-	-	-	766,720
Total	2,324,480	1,326,381	3,038,003	3,496,000	10,184,864
	Not later than 1 year \$	Later than 1 year and not later than 2 years \$	Later than 2 years and not later than 5 years \$	Later than 5 years \$	Total \$
2014					
Operating					
Garbage & Recycling Collection	400,000	-	-	-	400,000
Cleaning Council Buildings and Streets	162,148	162,148	162,148	-	486,444
Document Output Devices	34,708	23,139	-	-	57,847
Valuation Services	179,274	-	-	-	179,274
Other	22,000	-	-	-	22,000
Total	798,130	185,287	162,148	-	1,145,565
Capital					
Buildings & improvements	157,097	-	-	-	157,097
Total	955,227	185,287	162,148	-	1,302,662

Note 32 Operating leases

(a) Operating lease commitments

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

	2015 \$	2014 \$
Not later than one year	234,246	210,813
Later than one year and not later than five years	172,530	271,091
Later than five years	5,421	14,866
	<u>412,197</u>	<u>496,770</u>

(b) Operating lease receivables

The Council has entered into commercial property leases on its Caravan Parks and other property assets. These properties held under operating leases have remaining non-cancellable lease terms of between 1 and 99 years.

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

	2015 \$	2014 \$
Not later than one year	145,365	167,018
Later than one year and not later than five years	332,696	377,975
Later than five years	971,315	1,051,396
	<u>1,449,376</u>	<u>1,596,389</u>

Note 33 Contingent liabilities and contingent assets

Contingent liabilities

Legal Liabilities

As these matters are yet to be finalised, and the financial outcomes are unable to be reliably estimated, no allowance for these contingencies has been made in the financial report.

Superannuation

Council has obligations under a defined benefit superannuation scheme that may result in the need to make additional contributions to the scheme to ensure that the liabilities of the fund are covered by the assets of the fund. 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.

Funding Arrangements

Murrumbidgee 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's Actuary.

The Fund's latest actuarial investigation was held as at 30 June 2014 and it was determined that the vested benefit index (VBI) of the defined benefit category of which Murrumbidgee Shire Council is a contributing employer was 103.4%. To determine the VBI, the fund Actuary used the following long-term assumptions:

Net investment returns	7.5% pa
Salary information	4.25% pa
Price inflation (CPI)	2.75% pa

Vision Super has advised that the estimated VBI at June 2015 was 105.8%.

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

Employer contributions

Regular contributions

On the basis of the results of the most recent full actuarial investigation conducted by the Fund's Actuary as at 30 June 2014, Murrumbidgee 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 2015, this rate was 9.5% of members' salaries. This rate will increase in line with any increase to the Superannuation Guarantee (SG) contribution rate.

In addition, Murrumbidgee 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 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 Murrumbidgee 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.

Latest actuarial investigation surplus amounts

The Fund's latest actuarial investigation as at 30 June 2014 identified the following in the defined benefit category of which Murrumbidgee Shire Council is a contributing employer:

A VBI surplus of \$77.1 million; and

A total service liability surplus of \$236 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 2014.

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.

Murrumbidgee Shire Council was notified of the results of the actuarial investigation during January 2015.

Note 34 Financial Instruments

(a) Objectives and policies

The Council's principal financial instruments comprise cash assets, term deposits, receivables (excluding statutory receivables), payables (excluding statutory payables) and bank borrowings. Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument is disclosed in Note 1 of the financial statements. Risk management is carried out by senior management under policies approved by the Council. These policies include identification and analysis of the risk exposure to Council and appropriate procedures, controls and risk minimisation.

(b) Market risk

Market risk is the risk that the fair value or future cash flows of our 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. Our interest rate liability risk arises primarily from long term loans and borrowings at fixed rates which exposes us 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 rate.

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

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

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 a material impact on the Council's year end result.

(c) Credit risk

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause us to make a financial loss.

Council have exposure to credit risk on all financial assets included in our balance sheet. To help manage this risk:

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

Receivables consist of a large number of customers, spread across the consumer, business and government sectors. Credit risk associated with the Council's financial assets is minimal because the major debtor is secured by a charge over the rateable property.

Note 34 (c) Credit risk (cont.)

We may also be subject to credit risk for transactions which are not included in the balance sheet, such as when we provide a guarantee for another party. Details of our contingent liabilities are disclosed in note 33.

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

(d) Liquidity risk

Liquidity risk includes the risk that, as a result of our operational liquidity requirements:

- Council will not have sufficient funds to settle a transaction on the date;
- Council will be forced to sell financial assets at a value which is less than what they are worth; or
- Council may be unable to settle or recover a financial assets at all.

To help reduce these risks Council:

- have an investment policy which requires that only surplus funds are invested in financial assets;
- 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.

Council's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

There has been no significant change in Council's exposure, or its objectives, policies and processes for managing liquidity risk or the methods used to measure this risk from the previous reporting period.

With the exception of borrowings, all financial liabilities are expected to be settled within normal terms of trade. Details of the maturity profile for borrowings are disclosed at Note 27.

(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,

the Council believes the following movements are 'reasonably possible' over the next 12 months.

- A parallel shift of +0.25% and -0.25% in market interest rates (AUD) from year-end rates of 2.0%.

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

Note 35 Related party transactions

(i) Responsible Persons

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

Councillors	Councillor Margaret Rae - Mayor Councillor Andrew Derwent Councillor Bernie Magner Councillor Christine Challen Councillor Cris Ruhr -resigned 25th June 2015 position vacant as at 30th June 2015 Councillor John Kennedy Councillor John Walsh
Chief Executive Officer	Margaret Abbey

(ii) Remuneration of Responsible Persons

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

	2015 No.	2014 No.
\$10,000 - \$19,999	-	5
\$20,000 - \$29,999	6	-
\$30,000 - \$39,999	-	1
\$40,000 - \$49,999	-	1
\$60,000 - \$69,999	1	-
\$200,000 - \$209,999	-	1
\$220,000 - \$229,999	1	-
	<u>8</u>	<u>8</u>
	\$	\$
Total Remuneration for the reporting year for Responsible Persons included above amounted to:	405,834	387,118

(iii) No retirement benefits have been made by the Council to a Responsible Person. (2013/14, \$0).

(iv) No loans have been made, guaranteed or secured by the Council to a Responsible Person during the reporting year. (2013/14, \$0).

(v) Other Transactions

No transactions other than remuneration payments or the reimbursement of approved expenses were entered into by Council with Responsible Persons, or Related Parties of such Responsible Persons during the reporting year. (2013/14, \$0).

(vi) 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 Officer or whose total annual remuneration exceeds \$136,000.

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

Income Range:	2015 No.	2014 No.
Less than \$136,000	3	2
\$136,001 - \$139,999	3	2
\$140,000 - \$149,999	-	1
\$150,000 - \$159,999	1	-
\$160,000 - \$169,999	1	2
	<u>8</u>	<u>7</u>
	\$	\$

Total Remuneration for the reporting year for Senior Officers included above, amounted to: 1,022,289 962,397

Note 36 Events occurring after balance date

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

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 (Finance and Reporting) Regulations 2014, Australian Accounting Standards and other mandatory professional reporting requirements.



Andrew Bond
Principal Accounting Officer


Date : 25/09/2015
Alexandra

In our opinion the accompanying financial statements present fairly the financial transactions of Murrindindi Shire Council for the year ended 30 June 2015 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.

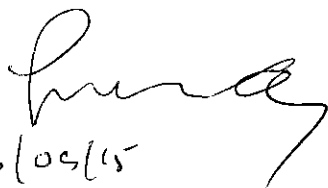
Margaret Rae
Councillor



Date :
Alexandra

28/09/2015

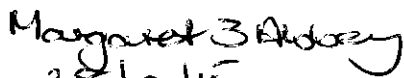
John Kennedy
Councillor



Date :
Alexandra

26/09/15

Margaret Abbey
Chief Executive Officer



Date :
Alexandra

28/9/15

Description of Municipality

Murrindindi Shire Council ("the Council") is situated 150 kms or 90 minutes north-east of Melbourne.

The Wurundjeri tribe and the Taungurung language speakers are the traditional owners of the land known as the Shire of Murrindindi. European settlement followed Hume and Hovell's overland exploration in December 1824. Many local towns were established during the 1850s and 1860s following the discovery of gold.

The Murrindindi Shire Council was declared on 18 November 1994 by the amalgamation of the former municipalities of Alexandra and Yea, and the addition of parts of the former municipalities of Healesville, Broadford, Eltham, Whittlesea and Euroa.

The main industries of the Shire include agriculture, aquaculture, horticulture, forestry and timber processing, tourism and hospitality, light manufacturing and engineering, retail and trades services, education and public services.

The council covers an area of 3,873 square kilometres, of which 48% is Crown land, and has a population of 13,595 as of the most recent Australian Bureau of Statistics update.

Basis of preparation

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

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

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

The forecast figures included in the performance statement are based on the assumptions adopted by council in its budget and strategic resource plan on 27 May 2015. The budget and 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. Council's budget and strategic resource plan are available on Council's website (www.murrindindi.vic.gov.au) or copies are available in all three of Council's offices.

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

"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

"annual report" means an annual report prepared by a Council under sections 131, 132 and 133 of the Act

"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

"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 the 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 the 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

"current assets" has the same meaning as in the AAS

"current liabilities" has the same meaning as in the AAS

"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 of community respite provided under the HACC program

"infrastructure" means non-current property, plant and equipment excluding land

"local road" means a sealed or unsealed road for which Council is the responsible road authority under the *Road Management Act 2004*

"MCH" means the Maternal and Child Health Service provided by Council to support the health and development of children within the municipality from birth until school age

"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 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

"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 of SEIFA

"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

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

"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

"unrestricted cash" means all cash and cash equivalents other than restricted cash

"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*.

PERFORMANCE STATEMENT

Sustainable Capacity Indicators

<i>Indicator /measure</i>	Results 2015	Material Variations
Population		
68 <i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$2,231.08	No material variations for 2014/15.
69 <i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$20,160.79	No material variations for 2014/15.
70 <i>Population density per length of road</i> [Municipal population / Kilometres of local roads]	11.33	No material variations for 2014/15.
Own-source revenue		
66 <i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$1,574.79	No material variations for 2014/15.
Recurrent grants		
67 <i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$706.49	No material variations for 2014/15.
Disadvantage		
71 <i>Relative Socio-Economic Disadvantage</i> [Index of Relative Socio-Economic Disadvantage by decile]	8.00	No material variations for 2014/15.

PERFORMANCE STATEMENT

Service Performance Indicators

Service/indicator /measure	Results 2015	Material Variations
<p>Aquatic Facilities Utilisation</p> <p>33 <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]</p>	1.57	Data accuracy to be reviewed in 2015/16. Results for 2014/15 include estimates for daily family tickets which do not clearly specify the amount of children entering under this ticket.
<p>Animal Management Health and safety</p> <p>37 <i>Animal management prosecutions</i> [Number of successful animal management prosecutions]</p>	0.00	No material variations for 2014/15.
<p>Food Safety Health and safety</p> <p>41 <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</p>	100.00%	No material variations for 2014/15.
<p>Governance Satisfaction</p> <p>5 <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]</p>	47.00	This result is below the small rural average for 2014/15 and may reflect a response to the difficult decisions made by Council with regard to its infrastructure renewal challenges.
<p>Libraries Participation</p> <p>22 <i>Active library members</i> [Number of active library members / Municipal population] x100</p>	16.68%	No material variations for 2014/15.

PERFORMANCE STATEMENT

Maternal and Child Health (MCH)		
Participation		
52 <i>Participation in the MCH service</i>	70.29%	Participation levels are higher than forecast due to "drop-in" attendees who visit the Murrindindi Shire, particularly over the summer months. These children are enrolled in a different municipalities program and are only briefly utilising the MCH service in Murrindindi Shire whilst on holidays or transiting through the region.
[Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100		
Participation		
53 <i>Participation in the MCH service by Aboriginal children</i>	100.00%	No material variations for 2014/15.
[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		
Roads		
Satisfaction		
18 <i>Satisfaction with sealed local roads</i>	52.00	No material variations for 2014/15.
[Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]		
Statutory Planning		
Decision making		
9 <i>Council planning decisions upheld at VCAT</i>	100.00%	No material variations for 2014/15.
[Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100		
Waste Collection		
Waste diversion		
27 <i>Kerbside collection waste diverted from landfill</i>	36.18%	No material variations for 2014/15.
[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100		

PERFORMANCE STATEMENT						
Financial Performance Indicators						
Dimension/indicator/measure	Results 2015	Forecasts				Material Variations
		2016	2017	2018	2019	
Efficiency						
Revenue level						
64 Average residential rate per residential property assessment [Residential rate revenue / Number of residential property assessments]	\$899.06	\$976.12	\$1,035.48	\$1,097.86	\$1,162.35	No material variations for 2014/15.
Expenditure level						
63 Expenses per property assessment [Total expenses / Number of property assessments]	\$3,192.12	\$3,255.68	\$3,353.47	\$3,454.11	\$3,557.04	No material variations for 2014/15.
Workforce turnover						
65 Resignations and terminations compared to average staff [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	16.26%	5.00%	5.00%	5.00%	5.00%	Higher results for 2014/15 when compared to forecasts are due to a larger number of retirements and resignations than expected for 2014/15.
Liquidity						
Working capital						
55 Current assets compared to current liabilities [Current assets / Current liabilities] x100	397.61%	239.90%	237.60%	236.10%	235.90%	Council has undertaken a deliberate management strategy to improve its cash position to prepare for known future renewal costs as well as reducing its current debt position.
Unrestricted cash						
56 Unrestricted cash compared to current liabilities [Unrestricted cash / Current liabilities] x100	73.10%	56.58%	54.33%	52.71%	49.70%	Council achieved a higher than forecast cash position in 2014/15 which improved this ratio.
Obligations						
Asset renewal						
60 Asset renewal compared to depreciation [Asset renewal expense / Asset depreciation] x100	51.67%	93.74%	84.71%	82.62%	77.53%	Council only achieved 65% of its original capital works budget for 2014/15 resulting in a lower than expected asset renewal result.
Loans and borrowings						
57 Loans and borrowings compared to rates [Interest bearing loans and borrowings / Rate revenue] x100	16.58%	19.60%	18.42%	17.19%	15.88%	No material variations for 2014/15.
58 Loans and borrowings repayments compared to rates [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	6.64%	1.92%	1.81%	1.77%	1.73%	Council's debt reduction strategy will deliver lower ratios in the coming years as Council's forecast debt position decreases.
Indebtedness						
59 Non-current liabilities compared to own source revenue [Non-current liabilities / Own source revenue] x100	17.36%	19.85%	18.48%	16.92%	16.20%	No material variations for 2014/15.
Operating position						
Adjusted underlying result						
54 Adjusted underlying surplus (or deficit) [Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x100	3.51%	-10.10%	-12.20%	-8.99%	-7.58%	Council achieved a higher than budgeted operating result in 2014/15 due to savings achieved in materials and services as well as above-budget receipts of recurrent grant payments and contributions.
Stability						
Rates concentration						
61 Rates compared to adjusted underlying revenue [Rate revenue / Adjusted underlying revenue] x100	53.66%	59.55%	59.80%	59.88%	59.91%	No material variations for 2014/15.
Rates effort						
62 Rates compared to property values [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.43%	0.48%	0.51%	0.52%	0.54%	No material variations for 2014/15.

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 (Finance and Reporting) Regulations 2014.



Andrew Bond
Principal Accounting Officer

Date : 25/07/2015
Alexandra

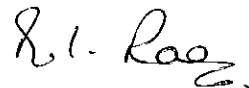
In our opinion, the accompanying performance statement of Murrumbidgee Shire Council for the year ended 30 June 2015 presents fairly the results of council's performance in accordance with the *Local Government Act 1989* and the Local Government (Planning and Reporting) Regulations 2014.

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.

Margaret Rae
Mayor



Date :
Alexandra

28/09/2015

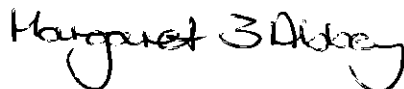
John Kennedy
Councillor



Date :
Alexandra

26/09/15

Margaret Abbey
Chief Executive Officer



Date :
Alexandra

28/9/15



Victorian Auditor-General's Office

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Website www.audit.vic.gov.au

INDEPENDENT AUDITOR'S REPORT

To the Councillors, Murrindindi Shire Council

The Financial Report

The accompanying financial report for the year ended 30 June 2015 of the Murrindindi 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 has been audited.

The Councillors' Responsibility for the Financial Report

The Councillors of the Murrindindi 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, the Auditor-General, his staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

Opinion

In my opinion the financial report presents fairly, in all material respects, the financial position of the Murrindindi Shire Council as at 30 June 2015 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
28 September 2015


Dr Peter Frost
Acting Auditor-General



Victorian Auditor-General's Office

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Website www.audit.vic.gov.au

INDEPENDENT AUDITOR'S REPORT

To the Councillors, Murrindindi Shire Council

The Performance Statement

The accompanying performance statement for the year ended 30 June 2015 of the Murrindindi 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 Murrindindi 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)

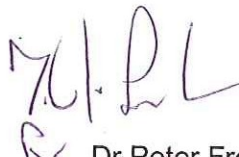
Independence

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, the Auditor-General, his 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 Murrindindi Shire Council in respect of the 30 June 2015 financial year presents fairly, in all material respects, in accordance with the *Local Government Act 1989*.

MELBOURNE
28 September 2015



Dr Peter Frost
Acting Auditor-General